Daily Report
Latin America

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Panama's Noriega Arrives for Anniversary
PA132320 Madrid EFE in Spanish 2309 GMT 13 Sep 87

[Text] Mexico City, 13 Sep (EFE)—General Manuel Antonio Noriega, commander of the Panama Defense Forces, has arrived here amid strict security and complete silence.

A Mexican Air Force source, who asked not to be identified, confirmed to EFE that Noriega flew to Mexico aboard a Panamanian Air Force Boeing 727. He landed at the 11th Military Air Base, in Mexico City.

General Noriega, who had been invited by the Mexican Government, will attend the celebration of the 177th anniversary of Mexican independence, which will include a military parade by 45,000 soldiers.

Unlike the military commanders of 10 other nations who had been invited to the celebration, Noriega did not make any statements on his arrival, which was cloaked in secrecy.

The Mexican press had reported that Noriega would arrive in Mexico City yesterday, Saturday [12 Sep], on a regular Air Panama flight. However, the source told EFE that Noriega arrived at the 11th Military Air Base.

Nicaraguan Minister Arrives For Debt Talks
FL100315 Mexico City NOTIMEX in Spanish 2305 GMT 8 Sep 87

[Text] Mexico City, 8 Sep (NOTIMEX) — Nicaraguan Foreign Trade Minister Alejandro Martinez has said his country is unable to pay its more than $500 million oil debt to Mexico because of Nicaragua's overwhelming economic situation, which is the result of all its years at war, plummeting exports, and the U.S. trade embargo.

In a note published today by the Mexican daily, *El Universal*, the Sandinist official said his country is asking for the international community's understanding in respect to its financial problems and at the same time, Nicaragua is committing itself to the peace agreements reached at the Esquipulas II summit.

Upon his arrival in Mexico City, the Nicaraguan official explained why Daniel Ortega's government has not been able to meet its economic obligations with Mexico based on the oil supplied under the San Jose accord. This is due to the severe blow resulting from the U.S. trade embargo which has caused $600 million in damages to Nicaraguan finances, said Martinez. The embargo has also harmed the industrial sector which requires repairs, machinery, parts, and components that can only be purchased from the United States, he said.

The minister added that the problem of oil payments to Mexico and the supply of oil to Nicaragua has not been resolved. Nicaragua has received 100,000 tons of oil from Cuba which will see it through its crisis until another supply is received on 14 September, he said.

In reference to trade, Martinez said that Nicaragua has diverse markets which include countries from Latin America and the EEC. Sixty percent of Nicaragua's trade activities are conducted with these countries while the remaining 40 percent are carried out with socialist countries, said the foreign trade minister.

Congress President Elba Gordillo Speech
PA042337 Mexico City Domestic Service in Spanish 2144 GMT 1 Sep 87

[Speech by Chamber of Deputies President Elba Esther Gordillo at the San Lazaro Legislative Palace in Mexico City — live]

[Text] Mr President: The National Congress recognizes the fulfillment of your constitutional duty in presenting to us today, the beginning of third regular session of the 53d legislature, the fifth state of the nation speech.

The Chamber of Deputies is, as is the nation represented by these deputies, mature, constructive, and pluralistic. As is the federal pact, guaranteed by the Senate of the republic, its members are firm, capable, and calm. In the coming sessions senators and deputies will thoroughly and wisely analyze the most recent actions by your government and your administration. We will make criticisms and proposals in a constructive spirit. Within our diversity we will expound well-thought-out ideas that expand the democratic path on which our vocation and history have placed us. This will give us soundness in the presentation and defense of our ideologies, the capacity to make sound judgements, and calmness during discussions.

We will begin a new era in less than 15 years. The threshold of the 21st century presents the image of a world devoted to reorganization. The progress of civilization has not yet obtained its best results. We are living in times of conflict and rancor. Very frequently some world interests encourage hegemonic actions and territorial ambitions which endanger the sovereignty of weaker nations having limited resources to face the future. To start the 21st century is for many nations to approach uncertainty and to walk in the shadows.

The new century has caught Mexico in the middle of a transitional stage that promotes the consolidation of Mexico as a free, independent, and sovereign fatherland, with its own history, culture, and profile. The arrival of a new era has been announced at a time when Mexico is suffering one of the most violent upheavals in its economic history. We are immersed in the internal process of reorganizing the people, and today we are a young nation with old problems and new conflicts generated by our own internal growth.

In the long history of the Mexican people the constant is, has been, and will be to have an iron will and to maintain the persistent defense of our condition as a sovereign and free nation with an independent vocation. In this chronicle of struggles the main character is always a nation

armed with ideals and principles that nourish and strengthen it. The new century will arrive, and the birth of a new society is being announced.

Few countries have experienced such times as Mexico has. In 3 decades our population has increased several times over. At the same time, a fourth of the Mexican population has left the countryside to live in the cities. Today, more than half of our population live in cities. What was the size of the efforts made by those who traded the dirt roads for paved avenues? What was and is the magnitude of the injustice and inequality that led to that change? We must also ask: What was the size of the effort made by the society and government to create the infrastructure to halt that movement?

Just to have an idea of the feat, we must also ask: In times of crisis, what was the size of the efforts by the people and the government to provide the Mexicans with health services, to meet the increasing demand for education, to build housing in urban and rural areas, to supply basic products to the majorities, and to protect and preserve the environment?

The change has not only been qualitative. A new society has been built in the national territory. Today there are more youths than adults. The needs that this change demands have not been fully satisfied. However, to have a more complete idea of the nation that we comprise we must consider the magnitude of what has been done so as to estimate what still needs to be done and what real possibilities we have to satisfy those needs. Only in this way can we know where we stand and what we desire. Today there are fewer Mexicans working in agriculture and more working in industry. Many still earn their livelihood from the services sector and from the retail sector, which are essential for the national economy but which do not produce much wealth.

The Mexican times have also been ones of anguish and suffering and of needs that have not been satisfied or whose satisfaction has been delayed. A general economic crisis mercilessly afflicts us. Never before have Mexicans been so aware of economic theories. Inflation is no longer an incomprehensible term. However, this does not mean that we can turn our backs on reality: Today we have to work more to buy less.

To understand the events in our daily life, we must ask: What would have happened to our nation if we had had to close schools? What would have happened if the number of hospitals had been reduced? What would have happened if in these times of crisis the workers' social security benefits and services had been ignored?

It is true that empiricism and spontaneity have been important in building the new society. However, this is not totally true. The construction of this new edifice which is today's Mexico has involved a planning effort, arduous work in which all society, civilian and government, has participated. Some have erected the scaffoldings. Others have been in charge of the design. Some only laid the cornerstone. Others carried out the monumental effort. The finished product is not perfect, but it was a joint effort,and included those who only checked to see how it was being built. We have a duty to perfect it.

The important thing about the construction is that it delved deep into the foundations. So much so that very few, just a few, have doubts about its strength, the strength of the nation. We speak about this with literary license but with proven love for its structure, soul, and beauty.

The chronicle of this effort is the history of the country. Our forefathers participated in it and now permit us to hold our heads high with pride and with our eyes on the horizon. This is the result of the careful effort of the insurgents, the great patriotism of the protagonists of the reform and the restored republic, and the unlimited sacrifice of the soldiers of the revolution and their companions, children, youths, and women.

The synthesis which is our present is the glory of our ancestors. It is the vision of Morelos and his identification with the feelings of the nation. It is the lucidity of Juarez and others from his brilliant generation who provided in the laws the moral base that shapes us. It is the double structure, popular and enlightened, of the men who drafted the Constitution that keeps us free, sovereign, and independent. It is the construction of democratic institutions by the men of the revolution and the persistence in principles and programs by the men today that keeps us being Mexicans.

History alone is not sufficient to make the future bright. To speak about the Mexico we have constructed up to now is easy when one does not notice the offenses, aggressions, and threats. The country has progressed amidst the storms.

The lesson that Juarez left the fatherland is that troublesome times demand a strong spirit, persistence in maintaining our ideals, and keeping sound principles. A sailor's mettle is tested when the sails are full. Mexico has learned from such teachings. This is how Mexico has acted throughout its history: with strength during times of uncertainty and with firmness during times of difficulty.

In the middle of the storm Mexicans have not only kept on course so as to reach a safe harbor, but they have also had a complete consensus of those on board. History has taught us the cost of mutiny. We lost half of our territory when we were divided and were fighting among ourselves. Since then, even when the tide was high, we have called for harmony before lowering the sails.

This is what Miguel de la Madrid did during the winter of 1982. When the ship was about to wreck, he saw the risks. There were already expressions of distrust and pessimism, and discord was emerging among classes and groups. A fierce hunt for the guilty had begun. Recriminations were reciprocated and were increasing. Abandonment, discouragement, and selfishness prevailed.

Emerging trends corroded the solidarity essential for collective survival. Those were times of emergency. Wavering and quarreling were not acceptable. It was time for decisions and responsibilities. Everything but inaction was permitted. The situation was intolerable. The fatherland was dissolving before our eyes. The storm demanded decision and firmness.

The call was for national effort — we could not expect nor was there any external aid or magic solution to replace it. Harmony was necessary. Austerity and hard work were obligatory. Among other things, the local crisis was a reflection of the external crisis. Isolation in those times was not only anachronistic but also impossible. Mexico was a nation with obligations, but also with rights. Fortunately, tradition imposed the duty of working for the reconstruction of world economic and political security and the strengthening of the international organizations. It also imposed the duty of struggling for peace, disarmament, and solidarity with the best causes in the developing world. The duty was also to promote respectful and just relations with our neighbors, in search of a just resolution of the Central American tensions, with respect for those countries' sovereignty and support for their development. The challenge was to consolidate the link between domestic and foreign policy.

The pieces of the scattered mosaic which was Mexico had to be put back together. The task was to put together again the puzzle that the liberals assembled when they restored the republic. Mexico showed then in its process that it is not a country of decrees. The country demonstrated how it responds to political action. The good symptoms showed the health of federalism.

In legislative matters the work of Miguel de la Madrid finds its roots in the efforts made by the Constituent Assembly 70 years ago. The work carried out by the permanent Constituent Assembly shows the renewal that has been undertaken in our times.

We have been governed in the past 5 years under the sign of renewal and consensus. The people gave the mandate. They did so freely in the broadest popular consultation in memory. They demanded the renewal of the institutions. They asked that this be done gradually, with wisdom, with calm and firm spirit, and noting the risks of haste and immobility. This is how we have acted.

The fatherland did not dissolve in our hands nor did disturbances take place. Social peace was maintained. Work continued firmly. With the active and militant participation of all the parties we are advancing in the democratization process. The country declares itself today ready for more democracy. We now have a more responsible system for administering justice and a concept of security that justly involves what the Constitution establishes: judicial security, public security, and economic security.

The reforms, which were introduced in response to the mandate received from the people, brought about the existence of clear rules for the daily tasks. The state has established its limits. It knows how far it can and should go. Individuals and those of us who form part of the social sector also know this.

In lengthy debates, heated debates, and productive and enlightening debates, legislators of all the political currents that comprise modern Mexico discussed here the expansion of the people's representation in Congress. We also increased our own responsibilities to devote more time to our obligations.

Together we approved legal modifications that renewed the Senate, even though in this we followed the wise counsel of returning to structures that proved their efficiency in the past. Today the voters and their parties have a tribunal dedicated to resolving the doubts and the controversies caused by electoral processes. In the country's capital next year for the first time we will elect the members of a representative assembly. A sign of the path of renewal that the republic has taken, this new body of popular representation will share with the legally established authorities the task of governing those who live here. The government and the parties must understand it is urgent and essential to guarantee the confidence that the Mexicans desire in order to go to the polls. The responsibility is not unilateral. It belongs to all of us. In this task we must contribute our best effort, talent, and political efficiency.

Mr President, 5 years ago the nation was promised everything, everything but paradise. The garden of delights is a pipe dream. Now, 5 years later, we continue to be far from full development, but fortunately we are even further from again falling into underdevelopment and further still from losing one part, one iota of national sovereignty.

It is true that we have experienced difficult times. However, in the bitter hours we have not given way to doubts or uncertainties about our free and independent destiny. With pride we repeat: The fatherland advances in the storm. The future is promising. We are a nation with a history, ideals, and principles. The fatherland is today renewed.

Miguel de la Madrid: The Mexicans have not become discouraged. We have faith and hope. You inspire us. We believe your proven patriotism. We are exalted by the dignity that you give to the tasks demanded by the republic. Your strength encourages us. Your moral work and your convinced respect for pluralism ennoble us. We are encouraged by your innovative capacity. The Mexicans are witnesses of your prudence and your firmness, your preference for dialogue, negotiation, and harmony. Your actions confirm your proven devotion to politics. Mexico can calmly wait for the course of history. A course has been set and there is leadership. [applause]

PRI Announces Demonstration, Convention

PA050344 Mexico City XEW Television Network in Spanish 1300 GMT 4 Sep 87

[Excerpts] PRI members hosted a breakfast for President Miguel de la Madrid on the occasion of his fifth state of

the nation report. The PRI leader asked the six presidential hopefuls and those participating in the internal selection process to maintain unity and discipline. [passage omitted]

Jorge de la Vega reported the party activities prior to the presidential candidate's selection. The party will hold a large-scale demonstration on 11 September to reassert their solidarity with the president. Meanwhile, PRI will continue to receive the governors' proposals for the electoral platform, which will be completed on 22 September. Likewise, 32 distinguished activists from throughout the country will receive awards on 24 September.

President Miguel de la Madrid will be invited to the PRI headquarters on a date which is yet to be determined. A National Executive Committee meeting will also be held to issue a call for the party's national convention, where the basic electoral platform will be revealed and the PRI's presidential candidate will be nominated. The date for that meeting is also yet to be determined.

PRI To Nominate Candidate in' October'

PA101701 Mexico City XEW Television Network in Spanish 1300 GMT 10 Sep 87

[Excerpt] Mexico City PRI President Guillermo Jimenez Morales has discussed the nomination of the PRI presidential candidate. He said everything will be ready in October:

[Begin recording] We will nominate the PRI presidential candidate in October when our party's internal selection process takes place. Therefore,we must all carry out our corresponding duties. [end recording]

Jimenez Morales asked for calm and serenity. [passage omitted]

PRI To Announce Candidate After 24 Sep

PA121609 Mexico City XEW Television Network in Spanish 1300 GMT 12 Sep 87

[Text] CNC [National Peasant Confederation] leader Hector Lugo Olivares Ventura, CNOP [National Confederation of Popular Organizations] leader Guillermo Fonseca, and PRI Secretary General Humberto Lugo Gil have said the PRI will announce its presidential candidate after 24 September, when the party will pay tribute to its most distinguished members.

The leaders ruled out the possibility of an early announcement by groups interested in promoting a specific candidate.

Olivares Ventura said if the party proposes a date in October to announce its candidate, all groups will wait until then. Fonseca Alvarez said there is no rush or anticipation within the PRI leadership. He added that all groups are united, because at this time discipline is an important factor for guaranteeing a successful conclusion to a process of great importance for the country's future.

De la Madrid on PRI Institutions

PA131818 Mexico City XHTV Television in Spanish 0200 GMT 12 Sep 87

[Passages within quotations marks recorded]

[Text] PRI members of the federal district praised President de la Madrid today at the Palace of Sports for the attention that he pays to the problems of Mexico City. De la Madrid said that the Mexican people will never follow bitter and pessimistic individuals.

He said that the institutions created by the PRI in the past 100 years guarantee stability, democracy, and sovereignty and that they endure beyond the men who temporarily hold power. De la Madrid: "Our party has developed a political system in which men are secondary. What counts are the institutions. Men are temporary."

The president attended the meeting of revolutionary solidarity in which the PRI members of Mexico City expressed recognition to and support for the 5 years of government during which De la Madrid controlled the crisis and promoted the economic acceleration.

Guillermo Jimenez Morales, a PRI leader in the federal district, headed the expressions of support of thousands of PRI members who gathered inside and outside of the Palace of Sports.

De la Madrid recalled that in the past 50 years, the PRI has consolidated its own political system that makes popular organizations a guarantee of democracy, independence, and sovereignty. De la Madrid: "Our party established a political system for and from the Mexicans."

He stressed that the people are not wrong and the people offer their majority support to the PRI. De la Madrid: "The people will never follow bitter or pessimistic individuals."

However, Mexico and the world are experiencing hard and difficult times, times of crisis. For this reason, the president asked the PRI members not to declare themselves satisfied with the political and economic achievements of recent years. He urged them to set new goals and keep the party young and energetic. He also asked them to strengthen their support for the party and the rulers now that Mexico is facing a conservative world that is unsatisfied with the achievements made by revolutionary governments. De la Madrid: "In view of this world, we have enough strength to maintain our independence and sovereignty and to categorically say: Mexico is only ruled by Mexicans."

He told party leaders to keep power not to enjoy it but to hold it with an attitude of service for the benefit of the nation's stability.

Petricioli on Foreign Debt Problems
PA100330 Mexico City EXCELSIOR in Spanish 5 Sep 87 pp 1a, 10a

[Article by Juan Ochoa Vidal]

[Excerpt] Chihuahua, 4 Sep — Gustavo Petricioli, Mexican secretary of finance and public credit, today said in this city that the problem of the debt will continue to worsen as long as there are both an international crisis and zones of conflict in the world.

He also said that Miguel de la Madrid's government will do everything possible to lower inflation without bringing about a deep recession. He warned against lowering public expenditures because this would jeopardize both the work of generations of Mexicans and the country's future.

Petricioli spoke about the developing countries' foreign debt problem and said that this debt "represents a burden for these countries, the financial community, and all the nations of the world." He added that the debt is not merely a financial matter but a phenomenon caused by the crisis and imbalance in the world.

The secretary of finance said that "without peace or development it is impossible to resolve the foreign debt problem."

In addition, he referred to the current administration's economic policy. He pointed out that the inflation problem "arises from existing structural imbalances." He dismissed the possibility of tackling the problem with drastic solutions "because this would result in another drop in production and number of available jobs."

Petricioli said further: "To lower inflation quickly would be an artificial solution. This would bring about spectacular, short-term results, but the situation would repeat itself."

He denied that the government is preparing "an unorthodox plan" to deal with the country's difficult situation.

The official said that President Miguel de la Madrid, with a consistent economic program, has been dealing with the core of the inflation problem through exchange, monetary, budget balance, and economic opening policies.

Petricioli also said: "I am sure of one thing: President de la Madrid will leave the country much steadier and stronger than it was in December 1982, when he received it."

Regarding the budget policy, the secretary of finance commented that the government should "keep public expenditures to a certain minimum; it would be inadvisable to lower them further." He asserted that government expenditures can and should be increased through healthy financing by means of fiscal and tax instruments assisted by foreign savings.

The country's problems are solved "not by lowering expenditures but by increasing the state's revenues to meet the people's needs."

He reiterated that the federal administration does not intend to lower social expenditures or the amounts earmarked for the people's education, health, and social security. In addition, the administration does not plan to lower public investment because the government is aware that strengthening infrastructures and continuing to build public works are priority issues. Should these priorities remain unfulfilled, "the work of generations of Mexicans in the organization of the country's productivity, the generation of electric energy, oil production, and highways and social works construction would be jeopardized."

The solution does not lie in lowering expenses, but in ensuring they do not get so large that they cannot be financed. This is to say, the country must keep public finances in balance.

He pointed out later that if the inflation (public) deficit is eliminated, "inflation would decrease by itself without causing unemployment and recession."

During his news conference, the official also pointed out that bank reserves were increased gradually to reactivate the economy, facilitate expansion in the production system, and establish new private enterprises. In this way Mexican banks would have more resources available to meet the production system's demands for loans.

Furthermore, Petricioli reported that the economic cabinet is discussing important projects — financially supported by international organizations such as the World Bank and the IDB — related to the country's agricultural sector, industrial reconversion, and export subsidies.

The cabinet also is considering mechanisms to expedite the use of foreign lines of credit available for the public and private sectors and earmarked to import goods, equipment, and raw materials not produced locally. He cautioned, however, that "the direct financing of commercial banks above and beyond the amounts agreed upon in March has not been contemplated."

Asked about the problem of the country's foreign debt, Petricioli said that the country's debt decreased during De la Madrid's administration.

He said that the net foreign debt decreased by $4.5 billion since late 1982. "This belies the assertion of those who have said — because they either lack information or are dishonest — that the country's foreign debt increased too much during this regime."

Petricioli said that the current government not only prevented the nation's debt from increasing too much, but improved the debt's terms. During the most recent negotiations the amounts due on a very short-term basis — 180 days — were canceled and the obligations were extended to 20 years. In addition, costs proved lower than the original amounts.

He made some comments on the foreign debt problems of the so-called Third World and said that the solution of these countries' problems lies not only with the developing countries but with the international financial organizations and creditor countries.

He said that, consequently, "all of us must work together," as Latin America is doing with the Cartagena Consensus. He mentioned that Mexico and the other Latin American nations are negotiating with the international financial organizations and the United Nations to find formulas to resolve this problem. [passage omitted]

Petricioli Rejects 'Sudden' Policy Changes
PA282156 Mexico City UNOMASUNO in Spanish 22 Aug 87 pp 1, 14

[Article by Marco A. Mares]

[Excerpt] San Luis Potosi, 21 Aug — Finance and Public Credit Secretary Gustavo Petricioli said here today that the Mexican Government cannot go "lurching about" in economic policy matters or make sudden changes in this policy. Therefore,he rejected the private sector's demand for an end to the variable exchange rate policy. He stressed the Mexican Government cannot maintain a fixed exchange rate because Mexico would be invaded by foreign goods. In addition, he said, "it would wipe out our foreign exchange holdings."

President Miguel de la Madrid said the republic's main asset is its people: a strong and energetic people who resist adversity, have never surrendered, and never lose confidence in the fatherland's future.

Petricioli spoke in De la Madrid's presence during a meeting with Development Bank officials. After listening to Mariano Nino Salgado, president of the town's Canacintra [National Association of the Processing Industry] branch, who said experience has shown a variable exchange rate was worse than sudden devaluations because its end is unpredictable and because a vicious inflation-devaluation circle is created, which must be broken, Petricioli said:

The variable exchange rate policy has permitted an increase in non-petroleum exports unprecedented in the country's economic history. This policy has promoted the return of capital and foreign investment, changing the capital flight of the past to a constant and permanent capital influx. In addition, this policy has permitted the beginning of an important process to substitute imports in an efficient manner and has promoted the development of the border area.

The exchange policy in particular and economic and financial policy in general, Petricioli noted, have permitted the implementation of important structural changes. In addition, these policies have boosted tourism and made possible "our tariff policy and the promotion of Mexico abroad."

He added that because the exchange rate policy keeps the Mexican people's savings within the country, it has permitted a remarkable increase in the financial system's ability to attract resources and in the stock market. This has resulted "in vast resources that can finance the country's economic reactivation, if used cautiously. In addition, it allowed the country to treat this reactivation as a priority."

Petricioli vigorously defended the government's policies. He said the exchange policy has been defined as a development instrument and a structural change that has attracted important investments. "We observe," he added, "that in various parts of the country and here in San Luis Potosi local industry now has good opportunities to export goods and to gear its production to exports."

In this context, he said "the argument to change the variable exchange rate policy or to establish a fixed rate is not heard in any other country. No country maintains a fixed exchange rate. Mexico could not maintain a fixed rate because it would be invaded by foreign goods. In addition, this would wipe out our foreign exchange holdings."

He noted the United States maintains a variable exchange rate, as does the entire world. We, he emphasized, maintain this policy with a balanced rate, a rate that allows us, through a boost of exports, to create an economic reactivation. This exchange rate policy opens the doors to reorganization.

Therefore, he stressed, "the exchange rate policy will continue for the benefit of Mexico and of the effort all Mexicans are making."

He stressed that "we cannot maintain policies of sudden changes. We cannot be lurching about in economic policy matters. We have won the confidence of the people, workers, and peasants because President de la Madrid has had the inner strength, firmness, and foresight to make these thorough, profound changes in the country's economic structure. These changes allow us to pave the way for a modern and more efficient development for the benefit of the majority." [passage omitted]

Finance Secretary on Monetary Reserves
PA092224 Mexico City EL NACIONAL in Spanish 4 Sep 87 p 1

[Text] Secretary of Finance and Public Credit Gustavo Petricioli said yesterday that the Mexican peso is safe from a sudden devaluation in relation to the U.S. dollar. He added that the country's high reserves rule out that possibility.

In an interview during a breakfast for President Miguel de la Madrid by the Revolutionary Unity, Petricioli said that there is an atmosphere of confidence in the domestic and foreign financial sectors.

As a result of favorable economic changes, monetary reserves at the Bank of Mexico (Banxico) reached $14.597 billion this month, surpassing the amount reported in September last year by $10 billion.

According to Petricioli, the climate of confidence that prevails among investors is reflected in the Mexican stock market, which last Wednesday registered a historic record by surpassing the barrier of 300,000 points.

Petricioli did not specify how these international monetary reserves will be used, but said they will be used in accordance with the country's economic situation.

PAN Selects Presidential Precandidate

PA100405 Mexico City EXCELSIOR in Spanish 4 Sep 87 pp 1, 12

[Article by Angel Soriano]

[Excerpts] Presented as a state, national, and international leader of the stature required by PAN [National Action Party], Manuel J. Clothier del Rincon was registered yesterday as PAN precandidate for the Mexican presidency in a ceremony in which he declared: "I assume this responsibility before my party, my family, and the Lord." [passage omitted]

Following the registration of his candidacy, Clothier, who was accompanied by his children and by PAN President Luis H. Alvarez, talked about the problems faced by Mexico, which fundamentally stem from the errors of an administration that has made this country dependent on food imports. He said this problem will not be resolved as long as the peasants are not given title to the land. [passage omitted]

Workers Party Presidential Candidate

PA110035 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 9 Sep 87

[Text] Rosario Ibarra de Piedra was today officialy designated as the Revolutionary Workers Party's presidential candidate. This will be the second time Ibarra de Piedra has represented this political organization in elections to renovate the federal executive power.

El Salvador

Hondurans, U.S. Officer Enter Country

PA131438 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 12 Sep 87

[Text] Attention, the [words indistinct] violation of Salvadoran territory continues to be carried out by Honduran troops. According to reports that arrived at Radio Venceremos, on 12 September Honduran Army soldiers entered El Salvador through El Caiman region, near Nahuaterique [words indistinct] in Morazan Department. According to the report, these troops were accompanied by a U.S. Army officer.

Once more, we report these facts to the public, especially to the Honduran people. These actions are a flagrant violation of our territorial integrity. We also report the Honduran involvement in the U.S. plans of aggression against our homeland. We reiterate to the border residents that we are willing to defend our territory and sovereignty.

We will never be a Yankee colony. El Salvador is our homeland!

Samayoa Discusses Peace Efforts, Dialogue

PA052228 San Salvador Canal Doce Television in Spanish 0200 GMT 3 Sep 87

[Report by Antonio Minero Duran]

[Text] The FMLN-FDR has described the recent proposal by opposition political parties that President Duarte hold a dialogue with all of the country's social forces — including the leftist fronts — as good and as an initial step — one showing political realism — in the peace process in El Salvador. FMLN leader Salvador Samayoa said, however, that this move should be seen not as a proposal but as a demand.

[Begin Samayoa recording] It is politically realistic to admit that our country is in a general state of war, which has already lasted over 7 years, and that the U.S. resources — money, weapons, and U.S. advisers — have failed to stop the war. On the contrary, the war has increased throughout the country, and the FMLN has progressed militarily and politically.

Therefore, the admission by the parties that the military conflict has spread is a realistic starting point. Furthermore, we concur with the position of demanding that the government urgently start a dialogue without imposing preconditions on the political forces. That is, we may have differences — we most certainly do with the political parties in general — but we also have possible points of political agreement that can only be expressed or identified if a dialogue begins with all the country's political, economic, and social groups that seek a negotiated political solution to the country's conflict in good faith. [end recording]

The FDR [as heard] leader added that President Duarte's current position is not supported by the country's other political forces.

[Begin Samayoa recording] All sectors of our society have demanded that Duarte resume the dialogue and make a genuine effort for peace. The government has only replied with rhetoric and demagoguery instead of carrying out the necessary measures to implement the Guatemala City agreement. The political parties issued a statement yesterday, and this single action probably is more constructive and will allow us to make more progress than all the demagogic actions carried out by Duarte's administration since the Guatemala City agreement was signed. [end recording]

The guerrilla leader also said that the people's political awareness has increased and that the time has come to make an effort for peace. Duarte's government must eventually give in, accept the people's demands for peace, and resume the dialogue, Samayoa said.

Ungo Comments on Negotiations

PA082222 San Salvador Canal Doce Television in Spanish 0322 GMT 8 Sep 87

[Interview with Guillermo Ungo, member of the FMLN-FDR political-diplomatic commission, by unidentified reporter in Panama City; date not given — recorded]

[Text] [Reporter] Dr Ungo, do you think that in the two previous dialogues you did not attain the (?objective) you sought; in other words, you did not attain the agreement that was the goal of the meetings? What is your overall opinion of the two previous dialogues? President Duarte says that in the two previous dialogues the only thing you stated is that you want full power. That is what President Duarte said. We would like to know your opinion and for you to talk a bit more about the two previous dialogues.

[Ungo] The Salvadoran people know that Engineer Duarte says many things, many different things, within a very short period of time. Therefore, he will not deceive us with all those statements. He publicly said at La Palma Square — almost exactly what I said — that the La Palma meeting had been positive. He said that we could not expect miracles in 1 day, much less in a few hours. It is he who has refused to meet for more than 1 day. That is why we proposed not only to meet on 15 September, but also on 16 September. The Esquipulas summit lasted 2 days to outline a general framework. The Salvadoran conflict is very complex; it has lasted for a very long time; and it is very polarized. All that makes it difficult to attain common agreements. Therefore, we need a lot more time. However, because Duarte has always sought more shocking, spectacular things he refused to extend the dialogue extra days.

However, we realize that the dialogue is a process. In other words, it requires and demands continuity. In addition, we realize that we have to make progress little by little. First, we have to attain preliminary, not final agreements. One cannot build a fifth floor without having the building's foundations and the first, second, third, and fourth floors.

We are in the preliminary phase. We are paving the way and setting the foundations for a dialogue process. There were exaggerated expressions regarding the dialogues; it was said that the La Palma dialogue was very good and very positive, but that Ayagualo was bad. At least we agree with those very well-known statements. We agreed that La Palma was a positive step.

They blamed Ayagualo for everything. However, in Ayagualo we reached modest but important agreements. It was a second step. [Words indistinct] less [word indistinct] and spectacular than the first step, but it was a second step; and it meant that there are still many more steps to go.

However, the public statements made by our delegates in the Ayagualo dialogue [words indistinct] the meeting itself. Even the government participants themselves ...[changes thought] for example, I have the video recording in which Mr Rey Prendes [culture and communciation minister] gives a positive opinion of the dialogue. The problem is that he alone wants to [words indistinct]. In other words, his is considered a sectarian and an almost fanatic position, for which everyone now dislikes him. He has been unable to form an alliance and understanding with those ultrarightist, moderate rightist, center parties, or progressive sectors that have drifted away from the support they had given him. Therefore, because our representative criticized the government he got upset, because according to him he is the only one who has a right to attack and criticize. However, the content of the Ayagualo dialogue was positive. Certain norms concerning the activities of the special commission were approved.

Let us analyze specific things. Let us not discuss superficial or [words indistinct]. At La Palma, where everything was nice, we reached agreements that the Salvadoran Government has not fulfilled. The Salvadoran Government, which is supposedly the state power, should have been more serious and responsible than we, who have political power, but not state power. In a certain way we have peoples power and a certain international recognition, but we are not the state. We held government power once, but we are not currently in the government.

Let me please conclude this topic. We agreed to create a special dialogue commission, which would incorporate all the nation's sectors as much as possible. Under those conditions we went with that disposition to [words indistinct] in Ayagualo. It seemed that it was [words indistinct], but it did not work because the government did not assume its responsibilities. [Words indistinct] things in La Palma and Ayagualo. In Ayagualo we were the ones who tried and spent most of the time... [changes thought] It was a meeting that lasted a few hours; Duarte did not want the dialogue to last over a day, because he knows that our presence in El Salvador would clearly demonstrate that we have the peoples' support. I am not interested in measuring that support, whether 30, 40, 50, or 60 percent of the people support us. We have important and significant support.

[Reporter] Would the FDR and the FMLN, and the organizations that comprise them, be willing to participate in the next electoral process in our country? Would they be willing to return to El Salvador as a political party and participate in the coming elections?

[Ungo] In this false democracy of and for the right — which includes the Christian Democratic Party [PDC] — it is very hard for us to have real and broad political participation. I laugh when I hear the PDC complain here in Panama about the lack of democracy in Panama. They have had a newspaper and radio programs, and they have fully functioned. They seize streets, burn cars and tires, and say they are patriots. When the poor do the same thing in El Salvador they are called subversives and terrorists. In all those activities here there has not been a single death — maybe there was one in an incident — but in El Salvador there have been more than 70,000.

Therefore, I think that political participation for us is something like having one's hand tied when one starts to play soccer or basketball. Even soccer cannot be played with one's hands tied or — needless to say — with one's feet tied. In El Salvador there are political opportunities like there are in Chile. There have been political opportunities in Chile for more than 3 or 4 years, and in Paraguay with Stroessner. However, the fact that there are political opportunities in Chile or El Salvador does not mean that there is democracy. It means that Pinochet is making reforms. The reforms do not take place at the personal, political, and social levels; they have to take place at the structural level.

This is why we propose an overall political solution with a government of broad participation. We are not demanding, as Duarte says, all the power for us ourselves, all the power for the Soviets — (?according to Duarte, we are the Soviets). In our alliance there are Marxists and there are non-Marxists. It is an alliance that is quite pluralist. In addition, we acknowledge that among us [words indistinct] a national project that we need to expand. Therefore, we need some type of presence and participation, but we are not asking for exclusivity, not even for (?control). That is negotiable. There are important and respectable sectors that do not ideologically and politically agree with the FMLN, the FDR, or our parties. They have some level of patriotism, seriousness, and responsibility that contribute to guaranteeing a common program. Therefore, we propose the solutions within this framework. We are part of the solution. We are not excluding the possibility of our future participation in electoral events if there are conditions and real guarantees rather than those promises of Duarte, which only he believes.

(?Let us look) at Esquipulas II. [Words indistinct] in all that refers to the democratization process, but Duarte manipulates it and says that the dialogue only refers to Nicaragua. We know that there are respectable governments that think that in El Salvador [words indistinct] Nicaragua. Therefore, [words indistinct] discuss, negotiate, and see what actions [words indistinct] all the

aspects that are mentioned there in the area of democratization in El Salvador. This is so simple that many extreme rightist and conservative sectors are opposing this. They say that the left or progressive sectors should not have the right to have radio stations or programs and newspapers. [Words indistinct] in El Salvador things do not happen like in Panama; in El Salvador, there is no censorship (?like in) Nicaragua [words indistinct] the newspapers *El Independiente* and *La Cronica* were practically destroyed, and even through the assassination of several journalists and the persecution of their directors. Here in Panama teargas and birdshot are used. In El Salvador bullets are used. I was watching a cassette with a Salvadoran news program in which the chief of the detachment or platoon guarding banks [words indistinct] said they fired shots in the air. However, they do not use birdshot or tear gas. [Words indistinct] prepared for that.

[Reporter] How do you view the next elections in our country? What is your opinion about the candidates who are being mentioned — Dr Fidel Chavez Mena, Hugo Adolfo Rey Prendes — and how do you view the position of such parties as ARENA [Nationalist Republican Alliance] for the next elections? Give us your opinion about Rey Prendes and Chavez Mena.

[Ungo] [Words indistinct] the answer. I think that if the conditions do not change; if we continue with this game of appearances, of false appearances; and if we continue with a false democracy of and for the right, the elections will show once again that they will not resolve the essential aspect of the Salvadoran conflict — the conflict, the war, and the causes of the conflict. There is increasingly more misery, hunger, malnutrition, unemployment, inflation, etc. Therefore, the people know that the Legislative Assembly unfortunately is not one of the most prestigious branches of government. This is not only the case in El Salvador. In the majority of countries, because of a series of factors, the congresses, parliaments, and legislative assemblies do not enjoy much prestige as efficient instruments of political action that will produce concrete beneficial results. They have seen that the assembly is only for its members to fight. I heard some remarks by General Blandon on a cassette of Salvadoran newscasts. I do not know if he was boxing the ears of the Christian Democrats, but he was saying that the government should not serve a party.

So it looks as if they are fighting among themselves. They should avoid squabbling [words indistinct]. However, Gen Blandon cannot understand these things.

Now, then, if this is going to be so, there will be changes. According to the leopard's [gato pardo] saying, things are going to change in order for them to stay as they are. (?This would sit) well with the Christian Democratic Party, which is discredited and battered and will lose some deputies. It is going to lose deputies' votes.

However, by fully using the machinery — because many people allow themselves to be swayed by the multimillion dollar propaganda appartus, and because of the political influence peddling that is typical of Christian Democracy [words indistinct] — they are going to continue doing things with a minority.

So the current pattern will continue — further deterioration, further subordination, and further weakening of Duarte's government and his party. There will be growing abstention, which will be significant because it will show in which direction the people are going. It will not be decisive in the electoral sense, but it is very useful for propaganda purposes.

However, I think this growing abstention is going to be important. [Words indistinct] million electors in El Salvador indicates that the minority is the one that elects. If I see it has more than 5 million inhabitants, 500,000 out of the country [words indistinct] 3 million electors. However, it turns out that Honduras has more than we do. That is why this is a democracy of the minorities. Well, there will be an abstention that will indicate with whom the people, or certain important sectors of the people, are identifying.

As for ARENA, I think it will come out as the second-ranking political force. I do not think ARENA will win a majority [words indistinct]. However, it is going to get a substantial number of deputies, more than the number it now has, and will use this for propaganda purposes, claiming an electoral victory because it now has fewer deputies than it really won. [sentence as heard] That is true [words indistinct]. Deputies' seats were given away to the PCN [National Conciliation Party]. Therefore, there will be some changes, but things will remain the same with a strong right [words indistinct]. In order for things to really change there must be a political solution, and within that political solution there must be a [words indistinct] and we feel we have the people's support despite all the manipulation, despite all the constant distortions.

I read the newspapers, especially *La Prensa Grafica* and *El Diario de Hoy*, and they are the same [words indistinct]. They constantly identify the FMLN and FDR as (?responsible) for the war actions, for the sabotage actions. Let us make things clear. We are allied with the FMLN, which uses armed methods. These are methods that should not scare [words indistinct] oppression. They are the ones who carry out armed actions. We are allied with them, but we are an unarmed group. [Words indistinct] Esquipulas II, which talks of disarmed and armed groups. We are neither disarmed nor armed. We are not disarmed because we have never been armed. The only one who is disarmed is [Nicaraguan Eden] Pastora, who is now involved in fishing activities. We have never been armed. We are allied with organizations that have taken the armed path, carrying out the people's war. For our part, our actions and methods are political. We are undertaking political work whose fundamental objective is to seek a political resolution through dialogue. [Words indistinct] the government is afraid because in the past we have had broad support from the people [words indistinct].

[Reporter] What is your opinion of a recent UCA [Central American University] poll that said your popularity has dropped? It said you have only 1-percent popularity.

[Ungo] If we had only 1-percent popularity we would not be defeating the intervention of the greatest power in the world. That is not true, and even the government knows it. Even in elections held by them and for them more than 10 percent of the votes were blank or null votes. This has a very clear political meaning [words indistinct] without even mentioning the 500,000 displaced people and 500,000 refugees. This is especially true for the refugees who are even more linked to us [words indistinct].

Why have many Salvadorans left the country during the past few years? Furthermore, I believe that it is no joke to be accused of being a subversive by a repressive regime. There are 60,000 examples indicating that it is no joke. Regarding the surveys, with all respect for the experts I doubt that they reflect the reality, the current reality. We saw that in La Palma. Duarte bused the people there. The conditions, the theater, the stage were more favorable to the government. However, I did not sense that Duarte alone had all the popular support. I saw faces that reminded me of past times. So we are not concerned about that. It is not a matter of how many we are. I believe that only under real democratic conditions will it be possible to measure our forces. We have never gauged our forces against the other. It was not possible in the 1972 or 1977 elections because there were always negative factors involved, such as repression, imposition, fraud, and the manipulation and abuse of the state's apparatus. It does not really matter whether we are 20, 30, 40, or 60 percent. Any one of those figures is enough to be a determining factor and to have the right to participate in the national political life in a government of broad participation.

I will now answer the question concerning Rey Prendes and Chavez Mena, regarding the disputes and presidential ambitions. First, I feel that it is sad to see that personal ambitions prevail in a country afflicted by bloodshed and destruction. Those ambitions are so strong that they have harmed, weakened, and caused confrontations within the PDC. As I said in a televised interview with Hugo Carrillo, there is yet more to come; this is just the beginning. Certainly in the next presidential elections this struggle will be reflected in the mayorial and legislative elections, as there will be quarrels over the candidates. I believe that the problem is not personal. In other words, I know Duarte personally, and I believe that it is not a matter of whether he is a good or bad person. As a person, Duarte is a valuable man. The problem is how a person acts and what makes him act that way. For example, Marshal Petain, who was a national hero in France, later turned out to be a traitor who was condemned as such.

[Reporter] Doctor, do you believe that the next dialogue — if there is a third dialogue — could put an end to the hostilities in our country?

[Ungo] Yes, we have always expressed our willingness to discuss a cease-fire. However, this is a complex problem militarily, [words indistinct] and politically. We have said that we believe that a cease-fire by itself will not resolve the conflict. A cease-fire, just as the (?negotiations), is part of the main scheme that must be defined and agreed upon to resolve the conflict. I personally mentioned that at the La Palma meeting. I said that the agenda should not only include aspects such as the humanization of war, ways to resolve the conflict, and a national dialogue with the participation of all national sectors. I said that the agenda should also include a cease-fire as a separate point that we should discuss. I did not expect us to arrive at an agreement then, which would have been impossible. However, I suggested that we could begin discussing the matter. I was surprised to see that the government was afraid to discuss the matter, and practically rejected our proposal, asking us to be understanding because that subject was not ripe to be included in the agenda.

Now I have seen statements by General Eugenio Vides Casanova, the (?government), and even Duarte in support of a cease-fire. In this regard I think this change or turnabout is healthy and satisfactory. [Words indistinct] the FMLN proposal to begin a temporary cease-fire to create positive conditions for the dialogue from 12 to 17 September — in others words the days prior to, during, and after the dialogue. Nevertheless, it is the government that has not replied. Therefore, we regard the cease-fire as an important topic that must be discussed and about which agreement must be reached. We must reach an agreement on the type of cease-fire that can be achieved: temporary cease-fires to improve conditions, or cease-fires resulting from actual progress in negotiations.

[Reporter] If there is no dialogue, how do you view the FMLN's chances for attaining a military victory along that path?

[Ungo] I think — this is my personal opinion and that of my party, the MNR [National Revolutionary Movement], an opinion formed through discussion at countless meetings of our political commission — that the (?situation) is advantageous for the FMLN. This is the only explanation for the increasing U.S. involvement and intervention; the U.S. is providing more money and weapons. That is not all. The Salvadoran Government is even asking for more. A few weeks ago, 2 or 3 months ago, Gen Blandon headed a military delegation to Washington to ask for more modern weapons. We know that [words indistinct] more weapons and, above all, airplanes and helicopters, which cause the most destruction and harm to the civilian population. Those are not symptoms of good health but of bad. If a relative needs a blood transfusion and then is given two, then three, and then four, those are not symptoms of good health but of bad. I think those symptoms are seen in the Salvadoran Army. [Words indistinct] more than 50,000 troops. It has grown, but its growth has almost reached its limit. In other words, the unlimited possibilities of U.S. financing have begun to crumble because of the

deterioration of Reagan and his term in office, which is almost over. Positions advocating political solutions are being expressed, even within the administration and the U.S. Congress. Unlimited recruitment possibilities through conscription are also coming to an end. This means that the situation is not conducive for a military victory by the Salvadoran Army. In addition, there have been more than 90 military changes [words indistinct]. It is analogous to a change in a corporation in which almost all the managers, deputy managers, and section chiefs are transferred. Such a radical and important reorganization implies that things were not going well. Therefore, these symptoms show that through the propaganda [words indistinct].

Now, then, this does not mean that in my view and in that of the MNR the FMLN is in a condition to achieve a military victory in the short term. I think that the prospects for a victory in strictly military terms are virtually impossible. A victory through military means alone is impossible; political aspects should also be taken into consideration. That is why we believe that because 7 years have been dedicated to war, because Reagan has spent more than $3.2 billion in El Salvador in those 7 years, political mechanisms for peace must be sought. [Words indistinct] but it is less than 7 years. Even Ambassador Corr issued some statements. After he realized that he had stuck his foot in his mouth he tried to deny his initial remarks that the war would take 5 to 7 more years. We think this is truly outrageous, because they are not the ones who sacrifice lives. That is why they can think of bloodshed for 5 to 7 more years. This means that things are not going well for the Army. [Words indistinct] are symptoms that things are not going well and that the FMLN is not insignificant. Even though it is confronting a powerful enemy, with a superpower constantly supporting it, the FMLN has not only not been defeated, but it defends itself and gradually makes advances. We believe this is true.

That is why we believe that a political solution is an important necessity and that we must begin to sow that political solution so that we can begin to harvest some things in 6 months. If in 1 year we achieve a political solution, this would be much more effective and [words indistinct] than a war which everyone says is going to last longer than 1 year.

[Reporter] Changing topics a little, Dr Ungo, do you think that the Catholic Church has changed its position lately?

[Ungo] Speaking about the Catholic Church can have very diverse meanings, because that church is not only Msgr Arturo Rivera y Damas, who is its top official and hierarchical representative. It also is not only the Bishops Conference, which is comprised of several bishops with several positions. That conference has bishops who bless wars and instruments of war and destruction. That is not the Catholic Church either.

Within the church hierarchy the most distinguished, influential person, who has the most moral authority, is Msgr Rivera y Damas. We and the government can disagree with him concerning positions and opinions, but he has the minimum amount necessary, or enough, trust from us and on the part of the government to act as an intermediary.

In addition, there are nuns, priests, preachers, and the faithful. Therefore, the Catholic Church in El Salvador is a complex issue. Other religions and sects have been developed in our country for good and bad. Those groups have fulfilled religious needs without being used politically. I believe that some of those churches have become markets. They are merchants' religions that fill stadiums and gymnasiums with people. I do not think that that contributes to the country's and our people's culture and spiritual values.

However, some other protestant churches are committed to humanitarian actions and respond to the people's need. The Catholic Church is evolving according to the times and wind changes. It is a very spiritual, but also a very worldly institution. It has been on earth more than 20 centuries, so it has become quite worldly. Therefore, the signs of the times make the church change its positions. In general, I would say that the role of the Catholic Church in the social and humanitarian areas is positive.

[Reporter] When was the last time you visited El Salvador?

[Ungo] I left in 1980. I did not return in April. After that I briefly visited El Salvador. I went from Comalapa to San Salvador, and from San Salvador to La Palma and Miramon by car in October 1984. It was a visit in which I was only permitted [words indistinct] but not a real incorporation into the country. That question leads to a certain type of conclusion. Maybe you are asking yourselves, how well do we know the situation in El Salvador. I do not presume to have total and accurate knowledge of the entire Salvadoran situation, which is complex and which has been changing for the good and the bad. However, I think I have been quite close to the situation. My own party lives and is present in the interior of the country. It is a very marginal presence, because the system does not permit any other. We have good means of daily communications and information. We have been seeing television program tapes from a few days ago and reading yesterday's newspapers. We have friends and people who we know, some who do not agree with us, and they are constantly giving us their opinions. The opposite also occurs. Many times people one meets in airplanes and on the streets of Panama, Central America, Mexico, or Europe ask me what is going on in the country, because not much is known about what is going on, and they think that we have important sources of information about the Salvadoran situation. Therefore, even though we left the country more than 7 years ago we have always been thinking about and studying the Salvadoran situation.

FDR-FMLN Meet Panama's Delvalle

PA091429 San Salvador Radio Cadena YSKL in Spanish 1110 GMT 9 Sep 87

["Press bulletin" issued by the FMLN-FDR in Panama City on 8 September]

[Text] The press office of the FDR-FMLN hereby reports the following:

1. A delegation from our fronts made up of FDR President Dr Manuel Guillermo Ungo; FDR Vice President Dr Ruben Zamora; Shafik Handal, FMLN commander and member of the General Command; and FMLN Commander Jose Mario Lopez was received today by Panamanian President Eric Arturo Delvalle.

2. At this meeting our delegation informed President Delvalle about the meeting we held yesterday with Costa Rican President Oscar Arias, who offered to mediate in favor of resuming a dialogue in El Salvador.

3. Our delegation had the opportunity to inform the Panamanian president about the country's situation and the main obstacle hindering a political solution in El Salvador; in other words, Duarte has rejected previous agreements to the effect that there would not be any prior conditions in order to resume a dialogue.

4. The FDR-FMLN highly value this meeting as a positive meeting and recognize the policy upheld by the Panamanian Government and particularly by General Noriega that has contributed to various negotiation efforts, such as the meetings with the government at La Palma and Ayagualo and the exchanging of President Duarte's daughter for Colonel Avalos.

5. President Delvalle said he would inform President Duarte, the Costa Rican president, and the presidents of the Contadora and Contadora Support Group countries about this meeting. He also voiced his willingness to continue contributing within the framework of Contadora toward the achievement of a negotiated peace in El Salvador, bearing in mind the specific conditions of the Salvadoran conflict.

[signed] Panama City, 8 September 1987

MDR Supports Guatemala Peace Agreement

PA110050 San Salvador PRENSA GRAFICA in Spanish 9 Sep 87 p 35

[Communique issued by Democratic Revolutionary Movement (MDR); date and place not given]

[Text] Esquipulas II: Promotes Democratic Revolution

The MDR, an FMLN dissident group, states its position to the Salvadorans regarding the Esquipulas II peace plan.

We believe that it will improve conditions for a democratic opening, further the Central American democratic processes, and advance peace in the region.

Our movement is born within this context, to achieve the long-awaited peace and social justice for the people.

I. Plan's Contents [subhead]

The plan was preceded by serious obstacles: El Salvador and Honduras objected to it; the FMLN rejected it; the United States was skeptical; and the Sandinists demanded that it be diluted into Contadora.

However, because of the pressures exerted by the international community and the need to achieve regional peace, the plan was signed and its contents meet the majority of Central American aspirations and ideals.

One of the strategic and more important points is the region's democratization, which rejects any type of dictatorship and demands the perfection of the established democratic processes. It also obliges those processes to construct the bases for attaining social justice.

It is compulsory that the existing democratic processes attain greater development levels and that Nicaragua initiate a democratization process.

The plan is devised to show which countries are carrying out true democratic processes and which are simply pseudodemocracies.

It also demands that the democratic processes be carried out without interference from the superpowers, to be kept apart from the East-West conflict. The countries should determine the political processes that are to their best advantage.

In our country the attainment of greater ideological and political pluralism without any type of obstacle is indispensable and requires the utmost priority.

The attainment of this pluralism would constitute a solid platform that would ensure that we do not return to past rightist dictatorship or, in the future, fall into totalitarian structures.

Reconciliation allows guerrilla and rebel forces to join the democratic processes in an appropriate manner and have greater political participation, as has happened in Uruguay and Argentina. In other words, the peace plan generates the necessary conditions for the guerrilla forces to restructure their strategies and continue their struggle in a setting that is more favorable.

The incorporation process must be established by declaring a cease-fire, amnesty, and an honest and sincere dialogue.

The amnesty and incorporation process will not be invalidated by the fact that dogmatized leaderships, such as that of the FMLN, reject the plan. It is the rank and file, the fighters, and other who will give it validity and concrete effectiveness in the final analysis.

Nos. 5 and 6, which refer to the ending of aid to irregular forces and not using one's territory to attack another state, are directed at the Nicaraguan armed resistance

and the FMLN. Should there be any progress on these points the armed conflicts would decrease, but the struggle in general would turn into a political struggle within the legal parameters, to reach a total democratization and social justice mainly in Nicaragua and El Salvador.

Other very important characteristics that give feasibility to the plan are the simultaneity and verification by commissions at the national and international levels for the implementation of the agreements that have been signed. The national commissions are already acting as pressure elements to arrive at a greater political opening and national dialogue in El Salvador, and the initiation of the democratic opening in Nicaragua through the lifting of the state of emergency.

II. Considerations [subhead]

In summary, we can express some thoughts on the plan and the various reactions that have emerged in response to it among various social, political party, union, and FMLN-FDR sectors.

a) The plan deals with regional rather than national or extraregional aspects. For example, at the national level the plan does not point out in which countries democracy has to be improved and in which countries improvement is not at issue.

It does not establish extraregional measures, such as meetings of the five presidents with the superpowers (the United States and the USSR) to discuss the issues of advisers, arms buildup, etc.

b) A mistake was made in not including the contras and the FMLN-FDR in the presidents meetings, but this is not a justification for the irregular forces' rejection of the plan. The FMLN-FDR has adopted an ambiguous position in this regard, publicly accepting part of it while at the same time trying to increase its military and political actions. In its latest communique it stated: "We call on all Salvadoran people to intensify their political, union, and armed struggle; we call on them to join the intensified war of the revolutionaries." (*El Mundo*, 24 July 1987).

The contras have publicly accepted it, but, at the same time, they contradict this acceptance by increasing military actions. They also demand an "irreversible democratization" in order to abandon the path of violence and reject the condition of simultaneity established by the plan, according to which both processes should begin simultaneously.

c) Although they have signed the plan, the Sandinists appear to be reticent and cautious regarding compliance with essential issues (democratization, lifting of the state of emergency, etc.).

Judging their conduct, it appears that they are using the plan to gain time to consolidate their dictatorship and to wait for a change in the U.S. administration.

d) The plan was issued from the top, the governments, to the people below. It was not submitted for discussion among the social sectors and was not approved by national consensus, something that would give it sufficient moral strength for implementation by the FMLN-FDR and the contras.

e) At this time the extreme right has accepted the plan with reservations, the church has given it all its support, the UCA [Central American University] regards it as positive, the National University is skeptical, labor organizations — such as the UNOC [National Peasant-Worker Unity] — support it, and the UNTS [National Union of Salvadoran Workers] partly accepts it.

f) The United States and the Soviet Union approve the plan, but without halting their direct or indirect, open or covert, support for the irregular forces.

g) The Salvadoran Government and Armed Forces are implementing the plan without submitting it for approval by the broad majorities.

III. Proposals [subhead]

a) The primary consideration in the fulfillment of the Esquipulas II plan should be the Central American peoples. In El Salvador it should be submitted for discussion and approval by all the social and trade union sectors, etc.

b) Representatives of the working class should be included in the Reconciliation Commission and in other commissions.

c) The plan should be implemented with creativity, but not have its content or essence modified by the interests of governments, irregular forces, parties, or other sectors.

d) The negotiation dialogue between the government and the FMLN-FDR should be held on 15 September according to the framework of the Esquipulas peace plan and with the presence of the Reconciliation Commission.

e) In El Salvador the plan must become a historic political instrument to broaden the current democratic opening with full self-determination.

f) The rank and file of Salvadoran popular organizations should not be led by the FMLN-aligned leaders to greater violence and radicalism so as to thwart the peace plan.

g) The FMLN-FDR leadership and rank and file should readjust their political-military strategy to continue the political struggle in the framework of the conditions offered by the Esquipulas II plan.

h) The right wing and extreme right wing should not hinder the implementation of the plan by resorting to legal subterfuges because the plan does not include provisions defending their economic interests.

i) In the presidents meeting in January 1988 a dialogue should be held with the U.S. and Soviet superpowers after evaluating whether they have contributed to the implementation of the plan.

Nicaragua

Daniel Ortega's San Jacinto Speech

PA131930 Managua Domestic Service in Spanish 1635 GMT 13 Sep 87

[Speech by Nicaraguan President Daniel Ortega at San Jacinto farm in commemoration of the 131st anniversary of San Jacinto Battle — live]

[Text] We are commemorating the 166th anniversary of independence and the 131st anniversary of San Jacinto Battle with the recognition of the work of Nicaraguan teachers, professors, doctors, and technicians who are represented here today by those who have been decorated with the Ramirez Ollena Order; and of the Nicaraguan students who are represented by the vanguard students.

We Central Americans, inspired by past examples, are today struggling for peace. We are struggling for peace, for independence, and against aggression. On 7 August, we signed the Guatemala agreement. The Central American governments showed their desire for peace. We want to achieve peace and we are working for it.

Nicaragua has taken some steps. Today we will take other steps in honor of this date, always fulfilling the 7 August agreements.

We must announce today that we are abrogating the absence law so that many Nicaraguans who might have felt threatened by this law can accept amnesty and the peace process. We are also granting pardons to those Central Americans— Guatemalans, Costa Ricans, Hondurans, Salvadorans, and Panamanians also—who were arrested because they were involved in counterrevolutionary activities and are presently in Nicaraguan jails; they will all be pardoned. Complying with the Guatemalan agreements, we are presently convoking—and will install on 5 October—a national dialogue with all the duly registered political parties; with the coordinator [Nicaraguan Democratic Coordinating Board], which is not a legally registered party; and with all the political groups that are in civic struggle. Those who decide to give up arms and accept amnesty in order to participate in this national dialogue will also have the opportunity to do so on 5 October.

Through these peace efforts that Nicaragua has been undertaking, it is clear that the Guatemala agreements are not a matter of taking a step backwards in Central America regarding the achievements that the Central American peoples and various Central American governments have promoted. For example, it is not a matter of taking a step backwards regarding the agrarian reform that in one way or another has been promoted in various Central American countries. It is now not a matter of casting doubts on the agrarian reform that has been promoted in Nicaragua. In other words, the lands given to the Nicaraguan peasants, either individually or in cooperatives, are not negotiable. Therefore, the peasants who have benefited from the agrarian reform are and will continue to be the owners of that land. There should be no fear in this regard. The lots given to thousands of families in the neighborhoods of Managua and other cities of our country are not negotiable. Those lots belonged to huge landowners or people who had huge lots in the cities without doing anything with them. The lots will continue in the hands of the families who are benefiting from them. The assets that were confiscated from the Somozists will not be negotiated. They are not negotiable. In other words, the assets that are now in the people's hands will not be returned to the Somozists. They will continue in the people's hands.

It is important that this be clear because there are some who think that it is now a matter of negotiating the revolution. It is not a matter of negotiating the revolution; it is a matter of seeking the points of convergence that we have already found and of adding more points of convergence among the Central American countries and in each Central American country to strengthen democracy and peace and to find peace because we all want peace and democracy.

We are building democracy in Nicaragua. We are not discovering democracy now. We discovered it on 19 July 1979, and we are developing it in all of its economic, political, and social manifestations in our country.

The U.S. Government stands against the peace efforts; as we have already pointed out, it is the main obstacle to the peace efforts. The U.S. Government continues to be an obstacle and is insisting now on getting approval for $270 million. Yesterday, during his weekly talk, President Reagan struck against the peace efforts, ignoring the will of the Central American governments, showing no respect for the will of the Central American governments. President Reagan should not ignore the fact that irrespective of their political and ideological stands, the Central American governments are mature governments that do not accept tutelage, do not need tutelage, and are not asking for tutelage from the U.S. Government; that these nations came of age 166 years ago, when they became independent from Spain; that when these nations were attacked once before—by the United States, which launched several attacks against these peoples following their independence from Spain, the maximum expression of which was the invasion of Nicaragua by the Yankee filibusters, by William Walker—they united 131 years ago to defeat the Yankee aggression.

The U.S. President should not forget this or the fact that the Central American governments, the Central American peoples, have now united to achieve one goal: peace. This brings together the full strength of our history with the will, with the resolve to achieve peace. However, it will depend on the United States whether this peace is achieved soon or whether it is achieved later at a high cost, at a higher cost to all Central American peoples and to the very U.S. people if the United States goes so far as to invade our homeland.

If President Reagan respects democracy, he should respect the decision adopted by the Central American presidents on 7 August and not continue to support the mercenaries, not ask for new funds for the mercenaries. If President Reagan were pragmatic to some extent, and if he were well-informed, he would realize that he is wasting resources in vain because President Reagan's mercenaries are defeated. They have no future in our country, and the Nicaraguan people's will to struggle has been decisive in this.

We are convinced that President Reagan is always poorly informed and that his advisers give him bright pictures of the mercenaries' outlook and chances for success. That is why he insists on making a fool of himself and on acting arrogantly. This is highly dangerous ridicule because of what the words of a U.S. President entail, because of what a commitment by a U.S. President entails, because he is opposing the will for peace of the Central American governments, because he is showing no respect for the peace agreements of the Central American governments, and because he is demanding more funds for the mercenaries.

Just so President Reagan will be better informed, we wish to tell him today that the EPS combatants, the Interior Ministry combatants, and the whole Nicaraguan people continue confronting and defeating his mercenaries. It is true that the war has not ended; it is true that the Pentagon and CIA agents continue directing the terrorist policies against our people and that they continue providing supplies to the mercenaries. However, you must know, President Reagan, that your mercenaries continue to be defeated and that they have no future.

Just yesterday, in the Bocay area, we seized from your mercenaries another one of the Redeye missiles you are sending them to shoot down our helicopters. Combatants of the Simon Bolivar Battalion for Unconventional Warfare [BLI] seized this missile from the mercenaries in the Bocay area. [applause]

President Reagan must know and see that the weapons he is sending to the mercenaries are being used to build up the supplies of our EPS; the Soviet Union is not the only one supplying weapons to the Nicaraguan people, because the Nicaraguan people are arming themselves with the weapons the U.S. Government supplies to the mercenaries. [prolonged applause] [Announcer interrupts and says: "The Redeye missile is being presented at this moment. Major Julio Aguilar Ochoa, chief of the Simon Bolivar BLI, is holding the missile upright at this moment."]

On this 166th anniversary of the independence of Central America and 131th anniversary of the Battle of San Jacinto, we state once more our will for peace and our determination to comply with the Guatemala agreements. We demand from the U.S. Government respect for the Central American governments and respect for the Central American heads of state. We demand that the U.S. Government immediately withdraw the request for $270 million for the mercenary forces if it really wants to contribute to peace and not continue staining itself with blood in Central America.

The U.S. Government, President Reagan has the last word on whether peace will be attained in Central America or whether the war will continue in Central America with the defeat of the mercenaries or with the defeat of his troops if they dare invade us. Free fatherland [crowd shouts: "Or death!"]. [applause]

Reagan's Statements on Peace Plan Scored

PA130234 Managua International Service in Spanish 0000 GMT 13 Sep 87

[Text] U.S. President Ronald Reagan cynically affirmed today in Washington that he did not accept the Central American peace plan because it allowed the Nicaraguan Revolutionary Government to continue exercising people's power in this nation.

Reagan made the statement to the U.S. magazine *U.S. News and World Report* for next Monday's edition. Using old arguments to justify his warlike actions against Nicaragua, the U.S. ruler affirmed that he will continue to support the Somozist counterrevolution until democratic elections, held his way, have taken place in Nicaragua.

Panama

U.S. Embassy 'Involved' in Disturbances

PA141252 Panama City CRITICA in Spanish 14 Sep 87 p 1

[Article by Carlos Nunez: "Gringo Embassy Involved in Yesterday's Disturbances; Economic Counselor David Miller Participated in Acts of Violence"]

[Text] The U.S. Embassy is involved in the armed disturbances that took place yesterday at noon in San Miguelito. This has been established following the arrest of Mr David Miller, economic counselor of that embassy, who was in the middle of the street disturbances.

David Miller, who is 40-45-years old and was wearing blue jeans and a cowboy-style shirt, was participating in a motorcade of the so-called Civic Crusade of the oligarchy yesterday; precisely when the shooting took place he was seen directing the mob.

Fifty-year old Efrain Guzman Baules died as a result of those disturbances promoted by the U.S. Embassy in Panama.

Everything indicates that when the clash became more violent, Miller, who had an ulterior motive, tried to slip away from the main part of the civic motorcade, but he tried to conceal his desertion by pretending to seek "protection" from a Defense Forces member, who was passing by the area.

However, various people pointed out Mr Miller as the person who was giving instructions to promote the disturbances, which left a toll of one dead and some

wounded. Therefore, he was placed under the jurisdiction of the San Miguelito Mayor's Office, which is holding him for legal procedures.

This is the second time in less than 1 month that U.S. Embassy officials appear to be directly involved in bloody disturbances that take place in San Miguelito District. [Caption under five-by-six photograph of Miller states: "Counselor of Violence; this is David Miller, the economic counselor of the U.S. Embassy in Panama, who was caught red-handed directing the oligarchs of the Civic Crusade in the bloody disturbances in San Miguelito yesterday]

U.S. Diplomat Arrested

PA141254 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Sep 87 pp a1, a16

[Unattributed article: "U.S. Embassy diplomat detained in Civic Crusade demonstration"]

[Text] David Miller, commercial attache [title as published] at the U.S. Embassy, was arrested during the incidents that occurred in San Miguelito yesterday between local groups who had been holding a celebration and members of the National Civic Crusade who were staging a demonstration on the Transisthmian and Ricardo J. Alfaro highways at that moment. Miller was turned over to the San Miguelito Mayor's office.

The U.S. diplomat was detained by the authorities at the site of the incidents amid the disturbances, which involved stoning, fistfights, and even gunfire between the contending groups. This resulted in one person shot to death and several wounded.

Miller was taken to the Mayor's office where he identified himself as a U.S. Embassy diplomat but he could not justify his presence in the Civic Crusade demonstration, much less in the political disturbances that occurred after the exchange of insults, arguments, and stones between the dissident group, actions that resulted in several persons wounded and even one dead.

It was reported that the authorities are investigating the role played by the U.S. diplomat in the political activities of the Civic Crusade and yesterday's disturbances.

March Fired Upon; 1 Killed

PA132215 Panama City Radio Exitosa in Spanish 2118 GMT 13 Sep 87

[Telephone report by Guillermo Cochez—live]

[Text] This is special reporter [Christian Democratic Party Legislator] Guillermo Cochez, who was present at the march that concluded at 1530 at the San Miguelito Minimax [supermarket] crossroad.

Apparently—this is an unconfirmed report—the person who was wounded, Carlos Efrain Guzman, from Chiriqui Province, has died. He was shot in the face.

The march, which involved approximately 50,000 people in the area between La Hacienda and San Miguelito, lasted 3 hours. It was led by Dr. Ricardo Arias Calderon, Dr Carlos Ivan Zuniga, Civic Crusade leaders, and Dr. Winston Spadafora.

The march was exemplary because there was peaceful participation in all the neighborhoods it went through. The marchers always insisted that the march would be nonviolent. They used loudspeakers to call for nonviolence, for peace. When we were advised that there were armed groups in the neighborhoods in which the march would take place, we shouted that the march had to be nonviolent, and the groups would then leave.

However, when we reached the Minimax crossroad with observers from the Human Rights Commission and the Catholic Church, foreign journalists, and many Panamanian journalists, the march went on although it had been announced that the march would end with a meeting at the San Miguelito Minimax. This was done to avoid a confrontation but it was then that the confrontation took place.

There were people there who were drunk. They began throwing firecrackers at the marchers. They were government people who have been identified although their faces were covered. They threw firecrackers at the demonstrators. Then came shots that left several wounded. One of the wounded, as I said a moment ago, is Carlos Efrain Guzman who, according to unconfirmed reports, has died at Santo Tomas Hospital.

This is something that happened approximately 40 minutes ago and that we witnessed.

We hope that the authorities will note what has happened because there is every indication that they were present and supported the people who were shooting.

The demonstration was broken up with bullets.

This has been your legislator Guillermo Willy Cochez.

Thank you, friends of Radio Exitosa.

[Panama City ACAN in Spanish at 2148 GMT on 13 September in a similar report adds: "Carlos Efrain Guzman Baules, 49, died today after being shot in the head while participating in a march organized by the National Civic Crusade." The report also adds: "An 18-year-old man was also injured in the thigh while running from the area."]

10 Gunmen Involved

PA140137 Buenos Aires REUTER in Spanish 0102 GMT 14 Sep 87

[Report by Anne Marie O'Connor]

[Text] Panama City, 13 Sep. (REUTER)—Eyewitnesses have reported that unidentified gunmen today killed one antigovernment demonstrator and wounded another. The gunmen fired their revolvers at hundreds of marchers.

The ten armed men had been waiting for hours at a street corner in the San Miguelito low-income housing area, where 3,000 opposition members were scheduled to demonstrate.

The men made no effort to conceal their weapons, apparently not caring about the presence of a Panamanian Defense Force patrol car, which left before the shooting started.

The gunmen donned handkerchiefs and hoods before they started shooting.

Some demonstrators started hurling rocks at the gunmen; however most of them left the area.

Eyewitnesses said that a 49-year-old demonstrator, Carlos Efrain Guzman, was shot in the head. At the hospital it was confirmed that he was dead on arrival.

Today's incident was the latest in more than 3 months of almost daily demonstrations against Panama's strongman, General Manuel Antonio Noriega, Panama's de facto ruler.

Radio Exitosa: Delvalle Leaves for Miami
PA132353 Panama City Radio Exitosa in Spanish 2312 GMT 13 Sep 87

[Text] Panama City—Panamanian President Eric Arturo Delvalle left at noon today for Miami to be admitted to Jackson Memorial Hospital where he will undergo a "routine medical checkup," the presidential house has reported.

There will be no substitute for Delvalle. According to the Panamanian Constitution, if the president is not to be absent from the country for more than 10 days there is no need for a substitute. If he were to stay away longer, the Legislative Assembly would appoint a provisional president.

Vice President Roderick Esquivel is in Canada at this time.

Vice President Urges Dialogue
PA102004 Panama City Telemetro Television in Spanish 2300 GMT 9 Sep 87

[Text] Just before leaving for Canada, where he will participate in the annual international congress of liberal parties, Panamanian Vice President Roderick Esquivel said that as long as the current political situation prevails in Panama there will be no national dialogue.

As the vice president of the Liberal International and vice president of the organization of Central American and Caribbean liberal parties, Esquivel said he will present Canadian liberal parliamentarians with the reality of the Panamian crisis from the democratic viewpoint in which Panamanian liberals are interested.

[Begin Esquivel recording] I think dialogue is important. I have said that before, and I reiterate it now. There will be either dialogue or violence in Panama. The two sides must show willingness for a dialogue. The opposition has realized the government is not giving any signs of that.

That dialogue would be useful. For example, the closed media continue to be closed, and there are charges pending against a number of businessmen. A dialogue will contribute to resolve those problems.

The closed newspapers and the fact that Panamanian businessmen have to hide are not adequate conditions for a dialogue. With that in mind, therefore — as I have said before — I have advised the government to heed the Civic Crusade's call, because under the present conditions there cannot be any dialogue.

Even a simple thing such as, for example, freedom of press or political amnesty, which was the result of an emotional state [as heard], could open an adequate road to a dialogue. I hope this occurs soon. [end recording]

Opposition Party Presents Proposal
PA112352 Panama City ACAN in Spanish 1928 GMT 11 Sep 87

[Text] Panama City, 11 Sep (ACAN-EFE)—THE opposition Christian Democratic Party [PDC] has presented a proposal to end the crisis that Panama has been experiencing for the past 3 months. This proposal includes the dissolution of the parliament and the creation of a government junta.

In a document issued today, the Christian democrats presented "suggestions" that are "subject to discussion and modification" among the opposition civic and political organizations that are trying to make the country "return to a democracy."

The new PDC government plan appears after 90 days of crisis during which the opposition has demanded the dismissal of Army chief General Manuel Antonio Noriega, who has been publicly accused of murders, electoral fraud, and running the drug trafficking business in Panama.

According to the plan, the new government junta will be headed by Arnulfo Arias, the octogenarian leader of the Authentic Panamenist Party who has been president three times. According to the opposition, Arias was the victim of electoral fraud in 1984.

Two more civilians will make up the junta, one appointed by the opposition "Civic Crusade," which is comprised of approximately 200 professional, civic, student, and social organizations, and another member "who is trusted by the sectors that finally join the movement and make the change possible."

The new government, which "will be moved by a spirit of reconciliation, instead of vengeance," will appoint the cabinet and other officials who will be in charge of "a new integration of state institutions, such as the Supreme Court, the Electoral Tribunal, the Attorney General's Office, and the Comptroller's Office."

The government junta will disolve the parliament and assume legislative functions through cabinet decrees, but always in accordance with the plan.

The new government will also have to face the "disaster of the public finances and economy," safeguard the productive activities of industry and agriculture, rebuild the banking system, and create new jobs.

The PDC promotes a social pact that, according to the plan, particularly guarantees the people's right to social security and stimulates investments.

Elections will be held within 18 months while a new parliament "with constituent powers" is elected to review the constitution completely.

The PDC, convinced that the forces of public order "play an indispensable role in Panama," proposes the "renewal" of the Army Command, whose members must make a commitment to professionalism and constitutional order.

In addition, the PDC proposes a review of the army law, the normal retirement of officers with more than 25 years in service, and the promotion of new cadres "based on seniority," as well as the creation of a civic-military commission to demilitarize civilian institutions.

A defense and public security ministry will be created to insure an institutional bond to make the forces of public order responsible to the executive branch.

The PDC also proposes the creation of a national security council, which will be headed by the chief of the executive branch with the participation of the national security minister, among others.

Regarding international relations, the PDC reiterated that the "nationalization of the Panama Canal is irreversible" and that its plan includes a review of U.S. Law 96-70, which implements the canal treaties and which is the source of bilateral conflict.

The PDC document also states that the dialogue proposed by President Eric Arturo Delvalle with the opposition "is a propaganda tactic to gain time."

The PDC stressed that there is no true willingness to hold a dialogue and that this attitude is hiding a "military auto-coup" promoted by government sectors with the support of procommunist officials.

Nevertheless, the PDC stressed that "the dialogue only makes sense for our people if it is admitted that General Noriega must be separated from his post."

"Then," the document stated, "the dialogue would be the means to establish and put into practice the alternative that will democratize, and improve the current system."

Assembly Resolution on U.S. Campaign

PA102223 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Sep 87 pp 52, A12

[Resolution 26 approved by the Panamanian Legislative Assembly in Panama City on 8 September]

[Text] Resolution 26 of the Legislative Assembly

Whereas: Reports from the United States permit us to state that with today's resumption of the U.S. Congress, the most reactionary U.S. sectors, in complicity with Panamanian groups that seek to overthrow our government, will be reviving the campaign to discredit the national authorities;

The real objective of this type of campaign is to create the conditions that will permit the nonfulfillment of what is established in the Torrijos-Carter Treaties and to eliminate the Panamanian Government's foreign policy, which favors the search for peaceful solutions in the regional conflicts and respect for the sovereignty and self-determination of peoples, and which opposes the aggressive policy of the U.S. warmongering circles.

The forces in the United States that oppose the Panamanian regime want the U.S. Senate to approve a law that will prohibit any type of aid to Panama.

Another objective of the campaign is to isolate the Panamanian Government internationally in order to weaken it so that it can be overthrown and be replaced by a government more docile to the most reactionary interests of the United States.

Therefore,be it resolved:

1. To report to the country and the world that despite their repeated failures, powerful reactionary forces in the United States have not given up their efforts to destabilize the Panamanian Government by unleashing a fierce campaign against it and trying to economically weaken it so that it will be an easy prey to their sinister colonialist objectives.

2. To ask the Panamanian people and the peoples of sister countries to remain permanently alert to defend in all fields Panama's right to maintain an independent and sovereign policy without any type of foreign interference in its domestic affairs.

3. To urge the good U.S. legislators and the friends of Panama to oppose any attempt to subjugate our country through economic pressure.

4. To appeal to the universal conscience so the whole world will know that heartless measures are being planned against a weak and small country like Panama. The sole objective of those measures is the complete destruction of the Panamanian economy, the total ruin of our country, and the provocation of confrontation among the Panamanians that leads us in an uncontrollable spiral of violence.

Issued in Panama City on 8 September 1987.

Alberto Aleman Boyd, president of the Legislative Assembly

Erasmo Pinilla C., secretary general

Argentina

Alfonsin Assures 4 Ministers Their Positions

PY112218 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1603 GMT 11 Sep 87

[Text] Buenos Aires, 11 Sep (NA)—A high-ranking official source confirmed that at noon today President Raul Alfonsin ratified Interior Minister Antonio Troccoli in his position after holding a long meeting him this morning.

The presidential spokesman previously reported that President Alfonsin already confirmed Economy Minister Juan Sourrouille, Defense Minister Horacio Jaunarena, and Foreign Minister Dante Caputo in their positions.

This morning President Alfonsin received the interior minister at the Olivos presidential residence at 0930. While they talked—for more than 1 hour—Spokesman Lopez held an interview with journalists at the residence.

"The president is analyzing the situation" created by the result of the 6 September elections, Lopez said. Regarding the information published by a newspaper about an upcoming presidential message to the nation, he said: "nothing has been decided yet."

"I have nothing to announce because President Alfonsin's words show that the economy, defense, and foreign affairs ministers have been confirmed in their positions," Lopez said.

Lopez said rumors about a Cabinet reshuffle and names surfacing about possible candidates are "inevitable," but he emphasized that the country must wait for the president to announce the changes whenever he thinks it convenient.

Accepts Rajneri's Resignation

PY132108 Buenos Aires TELAM in Spanish 1159 GMT 13 Sep 87

[Text] General Roca (Rio Negro), 13 Sep (TELAM)—Education and Justice Minister Julio Rajneri last night submitted his irrevocable resignation to President Raul Alfonsin, who accepted it.

This was disclosed by the morning daily *RIO NEGRO*, which reported that Rajneri, who made the decision to resign a few hours earlier, insisted that the president accept his resignation in order to reorganize his Cabinet.

The daily, which is run by Rajneri, said Rajneri met with President Alfonsin at 1900 yesterday at the Olivos residence. Rajneri was sworn in as minister on 1 July 1986.

Peronist Leader Views Election Results

PM111108 Paris LE MONDE in French 11 Sep 87 p 4

[Interview with Peronist Renewal Faction Leader Antonio Cafiero by Catherine Derivery in Buenos Aires—date not given]

[Text] [Derivery] The foreign press said the Peronist victory was going to threaten the country's economic recovery and political stability.

[Cafiero] This is a fanciful interpretation of the Argentine situation. I think Sunday's results consolidate democracy. They prove that alternation—the basis of democracy—can be achieved in the Argentine democracy.

[Derivery] But Peronism has an image which frightens people.

[Cafiero] This is a misunderstanding of the process of renovation within the Justicialist Party. Our candidates were all democratically elected and we have expelled the extreme right elements who had seized control of the party.

[Derivery] How would you define your party?

[Cafiero] According to European criteria, I would say ours is a center left party. We reject the Marxist and socialist left, although some sections of the socialist left are part of our electoral front in the same way as the Christian Democratic Movement.

[Derivery] Would you prefer a coalition government?

[Cafiero] We do not think a coalition government is the answer to the new situation. But, on the other hand, we believe that as an opposition party we must adopt a political attitude which enables the government to function, rather than taking a leap in the dark and thinking only of the 1989 presidential election.

[Derivery] If President Alfonsin were to offer you the Economy Ministry tomorrow, what would your answer be?

[Cafiero] My answer would be no, even if I were drunk or asleep. Peronism will not participate in a coalition government. In opposition, it will support the government with all its strength in controlling the crisis in the best way possible .... But we must remain in opposition.

[Derivery] It is easy to imagine that the Peronists stand to gain from the radical government getting into even worse difficulties.

[Cafiero] And what kind of country would we inherit if we won in 1989? It would not be a governable country. That is why that does not interest us.

[Derivery] Are you already thinking about what you will inherit?

[Cafiero] Of course, because we are in the running for government, but this does not mean we will not play the game by rules which not only enable the system to continue but also enable us to control the crisis.

[Derivery] You were elected on a platform of change. One of your proposals was to declare a moratorium on the foreign debt.

[Cafiero] No, we were proposing a new way of handling the foreign debt. It has been proved that all the countries which have been bled dry by interest payments on foreign debts face serious political and economic disturbances.

[Derivery] So do those which do not pay....

[Cafiero] Yes, but as a result of situations beyond their economic control, as is the case in Peru and Brazil. We think the time has come to make our foreign creditors a proposal which not only makes growth possible but also enables us to develop national exports. We think this proposal should be compatible with a minimum standard of living for the working classes.

[Derivery] What about internal economic problems?

[Cafiero] It is all linked. We think a new system is possible in the context of a different kind of economic and social consultation. Priority must be given to investment. Nonproduction investment must be discouraged, like the investment connected with the transfer of the federal capital.

[Derivery] What do you think of the creation of a prime minister's post in the framework of the constitutional reform envisaged by President Alfonsin?

[Cafiero] The existing presidential system has not been shown to be ineffective, but I would not reject a semipresidential system. I am not strongly convinced this is the best system. I continue to prefer the presidential system, which does not mean I am absolutely opposed to a change, but it is not a priority.

[Derivery] Do you intend to oppose the proposed constitutional reform?

[Cafiero] Last Sunday, the people made it clear that neither the constitutional reform nor the transfer of the capital really interest them. These are not issues which interest the Argentines. They are more interested in social, economic and military problems.

[Derivery] With regard to the military, one of the fears expressed abroad is that the Peronists' victory might worsen relations between the civilian government and the Armed Forces.

[Cafiero] We do not think so. We do not think there is any risk of a coup in Argentina, thanks to the attitude adopted by the Justicialist Party during the Easter events when, for the first time in Argentina, the opposition did not knock on the barrack door, but took to the streets to defend presidential legitimacy. In Argentina, coups are always the result of opposition protests or the opposition's indifference.

Protestors, Policemen Clash at Chilean Embassy

PY121144 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0230 GMT 12 Sep 87

[Text] Buenos Aires, 11 Sep (NA)—Four policemen and 5 protestors were injured tonight during the demonstrations in which almost 500 Chilean refugees clashed with security forces in front of the Chilean Embassy. The demonstration was staged to repudiate General Augusto Pinochet's regime, which is celebrating the 14th anniversary of the military coup that ousted Socialist President Salvador Allende's Government.

Demonstrators and policemen clashed tonight in front of the Chilean Embassy in the Palermo District, Buenos Aires, where the security guard had been reinforced to prevent incidents.

Some 500 demonstrators, most of them Chilean refugees, met in the square in front of the Embassy to protest. During the demonstration, members of the crowd shot at the embassy.

The police reacted by teargassing the crowd and beating the demonstrators with their fists. As a result of the clash, five civilians and four policemen had to be taken to the Rivadavia and Churruca Hospitals.

It was reported tonight that about 20 demonstrators had been taken to Police Precinct 21 in the district where the demonstration took place.

The Chilean refugees were recalling the ousting of Allende, and demanding the reestablishment of democracy in Chile.

Tucuman Policemen Continue Salary Protest

PY132153 Buenos Aires BUENOS AIRES HERALD in English 13 Sep 87 p 15

[Text] (NA-DYN)—Tucuman—SOME 400 provincial policemen self-confined in their headquarters for the past five days to demand payment in cash of wage increases they had been owed for more than a year yesterday decided to continue their protest after negotiations with the government fell through.

The government had started to pay the increases in provincial government bonds.

The protest yesterday forced the cancellation of a soccer match between Atletico Tucuman and Los Andes for lack of security.

The local club had asked the local delegation of the federal police for policemen to ensure security but the delegation said it required specific instructions from Buenos Aires before it could take such a measure.

Unaware of this, the self-confined men sent around 100 of their number to the soccer stadium to prevent the federal police taking over.

But when they got there they found there were neither federal police nor spectators at the stadium and they returned to their headquarters.

Provincial Government Minister Jorge Miguel told newsmen he had reached an arrangement with credit agencies to grant loans to the police mutual fund which in turn would grant loans to the police.

But this was rejected by the protesters, he said.

Brazil

Surinamese President Bouterse Arrives on Visit

PY111333 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 11 Sep 87

[Text] Surinamese President Colonel Desire Bouterse

arrived in Brazil yesterday. Bouterse, who is paying his third visit to Brazil, will meet with President Jose Sarney today. The main agenda items are the restoration of constitutional rule in Suriname and the opening of new credits to Suriname by the Brazilian Government.

Meets Sarney, Views Debt

PY121148 Brasilia Domestic Service in Portuguese 2200 GMT 11 Sep 87

[Text] President Jose Sarney today met Surinamese President and Armed Forces Chief Colonel Desire Bouterse, who has been in office since 1980.

During the meeting, Bouterse commented on the democratization process in Suriname, and the renegotiation of his country's $3-million debt with Brazil.

After meeting with Sarney at the Planalto Palace, Bouterse attended a luncheon in his honor at Itamaraty. Tonight, Bouterse will return to Suriname.

Sarney Denies Pressure To Replace Bresser

PY111325 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 11 Sep 87

[Text] During an informal talk with journalists at his office in Planalto Palace, President Jose Sarney answered several questions. He referred to the foreign debt and the inflation rate, denying there is pressure to replace Finance Minister Bresser Pereira. The president explained why he wants to participate in the negotiations over the system of government to be adopted by the Constituent Assembly.

[Begin Sarney recording] We cannot think of changing the system of government, an issue that has been the subject of comprehensive debate, if the president is not allowed to fulfill his duties or if political leaders are not allowed to participate [words indistinct]. I believe I cannot participate in any negotiation unless it deals with the national interest and, in this case, I will not adopt any personal stance. [end recording]

As for the foreign debt, the president said we are in an initial exploratory phase that will be followed by negotiations on firmer grounds.

[Begin recording] We are concluding the exploratory phase with the talks that Minister (Bresser Periera) is holding abroad. We will then enter a (?negotiation) stage based on firmer grounds, with proposals [words indistinct] [end recording]

President Sarney said Finance Minister Bresser Pereira's performance has nothing to do with the reduction of the industrial production output in June 1987 with respect to June 1986.

[Begin recording, in progress]...that comparison, which is made with respect to June 1986, when we had [words indistinct] that the Brazilian industry was [words indistinct] using its idle capacity with June 1987, when we are adjusting the economy. I believe the comparison should be drawn with respect to previous months, not the previous year [word indistinct]. This comparison will reflect the growth of the economy. [end recording]

As for the inflation rate, the president hopes it will stay below 6 percent monthly until December 1987. Sarney said after this price readjustment stage the government will be able to curb inflation.

Judge Says Nicaraguans Inciting Peasants

PY140336 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Sep 87 p 26

[Text] Brasilia—Eronides Souza Primo, a judge in Conceicao do Araguaia in Para State, has reported to federal officials that he has learned of the presence of three Nicaraguan activists who reportedly are training guerrillas in the Xinguaras region and instigating landless people to invade cattle ranches in southern Para State.

Souza Primo called *O ESTADO DE SAO PAULO* yesterday and reported that the Bela Vista cattle ranch, in Conceicao do Araguaia, which is owned by Jurandyr Goncalves Siqueira, was invaded last Friday. According to the judge, the invaders burned pastures and killed dozens of cattle.

Goncalves Siqueira, who came to Brasilia to ask for the authorities' assistance and spoke to *O ESTADO DE SAO PAULO* from UDR [Rural Democratic Union] headquarters, confirmed the invasion, saying 73 head of cattle were killed and 300 were stolen. The cattle-ranch workers were reportedly expelled from the property, as were the 10 policemen sent there to prevent land invasions.

The judge confirmed the departure of the policemen. However, he made it clear that the military policemen departed on his orders. They were unable to remain at the cattle ranch because of a food shortage and because there were only a few policemen against hundreds of well-armed and well-trained squatters.

Both the judge and the ranch owner accused Father Ricardo Rezende, who is heading the Land Pastoral Commission [Comissao Pastoral da Terra—CPT] in the Araguaia-Tocantins area, of promoting land invasions and arming the invaders. The judge said the priest recently went to Nicaragua, representing the local homesteaders at a congress and that after his return there has been speculation concerning the presence of Nicaraguan guerrillas in southern Para State.

The priest was not at Conceicao do Araguaia. However, *O ESTADO DE SAO PAULO* contacted Ana de Souza, the CPT coordinator, who said she is not aware of the presence of Nicaraguans in the region. In her opinion, "this is a folly of Goncalves Siqueira's."

Ana de Souza accused Goncalves Siqueira of torturing the workers, killing and chasing away homesteaders, like Joao Moreira de Souza, who was beaten to death with

sticks; and burning the crops and homes of 20 farmers. According to Ana de Souza, Goncalves Siqueira personally directed the torture, including the beatings of homesteaders, who were tied to wooden crosses.

Chile

State of Threat to Domestic Order Renewed

PY101919 Santiago Domestic Service in Spanish 1700 GMT 10 Sep 87

[Text] The state of threat to domestic order, which was declared in a previous supreme decree, has been renewed through a decree published today in the Official Gazette.

The Interior Ministry's decree states that the renewal of the state of threat to domestic order becomes effective beginning tomorrow, 11 September.

Likewise, the resolution concerning the ban on the right to assembly and press freedom remains in force. The ban on press freedom applies only to the founding, publishing and distribution of new publications, as provided for under temporary Article 24 of the Constitution.

Violent Incidents Mark Government Anniversary

PY132040 Buenos Aires TELAM in Spanish 2001 GMT 12 Sep 87

[Excerpt] Santiago, 12 Sep (TELAM-EFE-ANSA)—On 11 September,there were three people killed, two of them Carabineros, two people were wounded, several bomb attacks, a bus set on fire, bonfires, and street demonstrations. These violent incidents marked the 14th anniversary of the military government in Santiago.

Two Carabineros were killed yesterday in an attack on a police vehicle by unidentified individuals in the southern sector of Santiago. According to witnesses, the men were killed by a Vietnamese-type bomb, but others said it was a bazooka. The attack occurred about 2200. Witnesses also reported that isolated shootouts and bomb explosions were heard throughout the night.

In the afternoon, an unidentified individual, about 30, was killed when the bomb he was trying to plant on a railroad track in the southwestern sector of Santiago exploded. The same afternoon a group of unidentified individuals took over a bus in the southern part of Santiago, stealing all the money from the driver and then setting it on fire.

According to press reports, a pregnant woman was hospitalized in the Barros Luco Hospital in southern Santiago with a bullet wound. In another incident Manuel Angel Pena was hospitalized after being shot by unidentified individuals.

Bombs exploded last night in the offices of the Metropolitan Water Company and near the main offices of the University of Chile in downtown Santiago.

On the outskirts of Santiago people set up barricades and bonfires during the night. [passage omitted]

Terrorists Kill 2 Carabineros

PY121417 Madrid EFE in Spanish 1226 GMT 12 Sep 87

[Text] Santiago, 12 Sep (EFE) — Carabineros Corporal Ramon Bahamonde, who was seriously wounded in a terrorist attack in Santiago last night, died early this morning in the hospital where he was being treated. Carabineros Sergeant Mario Martinez was killed instantly during the attack, which destroyed part of the station wagon.

According to the police, the explosive device was of "the Vietnamese type," and it was detonated by remote control. According to sources, the Carabineros station wagon was checking out a telephone report that an armed gang had been seen near the riding club. When the patrol car arrived in the area, unidentified individuals detonated the bomb, which killed Sgt Martinez and injured Cpl Ramon Bahamonde. A third member of the patrol was not injured. Neighbors said the explosion was followed by machinegun fire and the sound of one or two cars fleeing the scene.

According to another version, which was not confirmed by the police, the Carabineros station wagon was attacked with automatic weapon fire and a rocket launched from a moving car, which quickly fled the scene.

The attack coincided with the commemoration of the 14th anniversary of the Chilean military regime. Immediately after the attack, police and security forces launched a search operation to try to capture the terrorists responsible for the attack. The investigation so far has not yielded positive results.

No one has claimed responsibility for the attack.

Assailants Damage Building

PA131631 Paris AFP in Spanish 1532 GMT 13 Sep 87

[Text] Valparaiso, Chile, 13 Sep (AFP)—Police sources reported that the Chilean Army First Naval Zone's building was damaged when it was attacked with high-powered explosives by unknown persons at midnight.

The explosions, which were felt throughout Valparaiso, located 100 km west of Santiago, damaged the building located near Sotomayor Plaza but caused no casualties.

According to witnesses, the explosions were strong, and smoke came out of the building's roof; the magnitude of the damage is unknown.

Police sources said the attack was carried out by unknown persons apparently from Lord Cochrane Museum at Cordillera hill.

The action occured 24 hours after two police were killed in a bomb ambush when they were patrolling the densely populated Departmental sector, in southern Santiago, at the same time the commemoration of the 14th anniversary of the military government was taking place.

Two additional attacks with molotov cocktails were carried out by unknown persons in Santiago and Vina del Mar, damaging public transportation vehicles, which were completely destroyed by the fire.

Colombia

Doctors Report on Barco's 'Amazing' Recovery

PA111835 Bogota Inravision Television Cadena 2 in Spanish 1732 GMT 11 Sep 87

[Text] President Virgilio Barco's recovery in a Seoul hospital is amazing. He began to drink liquids today. The doctors removed all intravenous feeding tubes, and the illustrious patient will soon begin to eat solids.

The latest medical bulletin reports President Barco's recovery is constant, and it is estimated he will be able to return to Colombia in about 5 days.

To Meet South Korean President

PA122025 Bogota Cadena Radial Super in Spanish 1747 GMT 12 Sep 87

[Text] Colombian President Virgilio Barco Vargas will meet with the South Korean president on Thursday to finalize the details of the agreements signed by the two countries. The meeting will take place in President Barco's room at the University Hospital.

The two presidents will ratify the bilateral agreements, which include an increase in trade and South Korean technological assistance to Colombia in the industrial field.

That same day, Foreign Ministry Secretary General Esther Lozano de Rey will be returning from Manila, after signing several agreements with Corazon Aquino's government on behalf of Colombia.

Venezuelan Soldiers Cross into Santander

PA101427 Paris AFP in Spanish 0518 GMT 10 Sep 87

[Text] Bogota, 9 Sep (AFP)—Radio stations citing Defense Ministry sources reported today on another violation of Colombian territory by Venezuelan soldiers, one of whom was injured, in the northeastern department of Santander.

According to the reports, several Colombian "maleteros" (people who carry merchandise across the border) were stopped by a Venezuelan National Guard patrol, which started to confiscate their goods, on a trail in the Las Delicias area, near the Colombian village of Ragonvalia. As the patrol was confiscating the goods, a Venezuelan guardsman was injured by a shotgun blast.

The Venezuelan soldiers pursued the "maleteros" up to Oasis Plaza in Ragonvalia and burst into the homes of Colombians Jose Gafaro Torres and Carlos Raul Rojas, whom the guardsmen apparently beat. The guardsmen also confiscated some food, which they destroyed upon returning to Venezuela.

The radio stations reports also said the Venezuelan patrol, made up of 10 members, was under the command of 2d Lieutenant Rafael Octavio Carrascal.

This is a new incident in the chain of events in the Colombian-Venezuelan border region following the 9 August incident between warships of the two countries in waters that have not been delimited in the so-called Gulf of Venezuela. The 9 August incident brought bilateral relations to the lowest possible level.

50,000 Demonstrate in Santander Department

PA131803 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 12 Sep 87

[Text] Schools, universities, industries, banks, and all state agencies at the regional level halted their activities today to participate in a march for solidarity and coexistence, promoted by the departmental government for the first time in the history of Santander.

[Begin Santander Department Governor Alvaro Beltran Pinzon recording] The people, who are surprised to see a governor urging them to talk and begin joint action, must know it is truly unexplainable to have a separation between the governor and those he governs. Therefore, we have called for a new feeling, a new way of expression, and a new commitment by the community and the government. [end recording]

The support for the Santander government to reject the crime wave affecting the department was unanimous. The demonstration of support was also evident in the 86 municipalities of this department. In this way, the entire Santander Department joined the march. The demonstration also served to reject the tortures, disappearances, and all forms of human rights violations.

Garcia Rovira Plaza was full. Approximately 50,000 people from all social and political sectors responded to the call from the departmental government, thus staging the largest demonstration to reject the crime wave in Santander.

Paraguay

President Stroessner Marks Party Centennial

PY121840 Asuncion Domestic Service in Spanish 1354 GMT 11 Sep 87

[Speech delivered by President Alfredo Stroessner marking 100th annviersary of ruling Colorado Party on 11 September at Caballero Park in Asuncion—live]

[Excerpts] Colorado Party people: With deep patriotic feelings I will address this great and solemn ceremony at which we commemorate a historical event that is both jubilant and honorable for our fatherland, for freedom, and for democracy: the centennial of the glorious National Republican Association, the Colorado Party.

In the presence of this impressive crowd of over 100,000 Colorado Party members of deep patriotic feelings, who wave the banners of peace and hope, we will dedicate the

memorial with which the Colorado Party will honor its illustrious founder, General Bernardino Caballero, the immortal hero, the great citizen and statesman, and the leader with the captivating smile and the iron nationalist spirit. [applause] [crowd shouts: "Viva Stroessner"]

We have come to this park, which was the site of that illustrious citizens' home, on this day of joy when the entire Paraguayan people greet eternal Coloradoism and on which all the Americas share the joy of a powerful party, which is an invincible stronghold of the continent's democratic traditions and of the moral values of Christian civilization—the great Colorado Party.

The 1.4 million people who make up the membership of the Colorado Party are reaffirming in this great ceremony the reason for the existence of our political association: strong, unyielding loyalty—based on all of our mental and spiritual powers—to the sacred glories of the Republic of Paraguay.

The Colorado Party upholds the highest values of our nation. Its doctrine reflects the history of this land of splendid courage and patriotism.

Coloradoism was born with the ideal that inflamed the spirit of the Comuneros [18th-century precursors of independence] with the devotion to freedom of the heroes of May [1811 independence leaders], and with the unyielding moral strength with which our soldiers tirelessly fought the 1864-70 War, courageously waving the banner of "Victory or Death."

Therefore, when we say we are Colorado Party members we are referring to the incorruptible dignity of Paraguayans and to a behavior that has carefully respected the legacy of our heroes, and we are affirming that we shall never allow complacent attitudes to stain our national traditions, of which the party of Gen Bernardino Caballero was protector and preserver, on this soil, where the blood of courageous patriots has been shed. [applause] [crowd shouts:Viva Stroessner"]

Just as Gen Caballero smashed the infamous conspiracies of the legionnaires [Paraguayans who fought against the governemnt in the 1864-70 War], we, the loyal beneficiaries of his moral legacy, shall defeat all attempts to distort the nationalist essence or to shift the historical course the people have followed and will continue to follow, as the proud builders of their own destiny, in genuine freedom and under the permanent protection of God. [passage omitted]

When he agreed to become the head of the Colorado Party on 11 September 1887, Gen Bernardino Caballero said with emotion and mysticism: Fellow party members: I am very proud to find myself once again in the company of my old companions, friends, and fellow party members who are together under the same banner. This banner is the symbol of national sovereignty, independence, and dignity, not to fight bloody battles, but to undertake the peaceful struggle for democracy through the calm and dignified exercise of political rights. [crowd shouts: Viva Stroessner]

We do not come here to wave the banner of hate. We wave the sacred banner of unity, which can shelter all those who share our sincere wishes. [Unidentified voice speaking in Guarani asks God to bless President Stroessner; applause]

I hate the divisions that can seperate us on opposing sides, and I wish this great political association, the National Republican Association [Colorado Party], were the link of harmony and fraternity uniting all the children of the Paraguayan fatherland. [applause] [passage omitted]

All of us must congratulate ourselves for having strengthened peace in our nation after the anarchy that lacerated our nation for so many decades.

A tragic period of internal struggles that plunged the fatherland into mourning and submerged the nation into desolation and backwardness began when treachery, fed by foreign money and weapons, dislodged the Colorado Party from power in 1904.

A member of the Liberal Party said in a speech: The heartrendering task of mutually dislodging ourselves [from power] surprised us in 1919 with the 100th anniversary of our independence. We could not celebrate it as other American republics because the unprecedented blood of our uprisings and murders covered our homes.

That was the bad moment in Paraguayan history, a moment in which power was fiercely disputed, thereby sowing death and grief in cities and in the interior that casued our fellow countrymen disillusionment and pain.

A writer has said: The total: 22 presidents in 31 years; average: 1 president every 19 months. This was the political panorama during the Liberal era that was due to the disagreements within that party. These disagreements led to 21 uprisings, revolts, military coups, and 2 civil wars, one of which lasted for 2 years (1922-23).

This panorama of chaos and neglect definitely came to an end with the return to power of the Colorado Party. The party had overcome its own harmful disagreements and thus began the true revolution the people desired; a revolution without blood or violence, this great revolution, in a decisive and fruitful march along the path of the law and with the legitimate banners of social justice. [applause] [passage omitted]

And, in peace we have celebrated the 450th anniversary of the founding of Asuncion, which was born to have an important destiny. Its vocation to civilize sponsored the founding of several cities. The capital of the Republic, which did not have running water when we came to power, is today a modern city progressing rapidly, a proud city that still has its spiritual essence.

Today, as during the great times in our history, the government, the Colorado Party, and the incorruptable Armed Forces of the nation are standing firm, in total

cohesion. No internal or external force can destroy that colossal bastion of patriotism that unyieldingly, without pause or falter, guarantees the dignity and future of the Republic of Paraguay. [applause] [crowd shouts: Viva Stroessner] [passage omitted]

With deep satisfaction, I can recall that, according to a World Bank report recently published in Washington, Paraguay has attained one of the world's highest economic growth rates. Our country is one of the few countries that have surpassed a 4 percent annual growth rate for the 1973-85 period. Paraguay ranks eighth out of 130 countries with the world's highest per capital growth rate. This is another benefit of the peace we enjoy and the effectiveness of the undertakings and initiatives we have carried out in promoting the country's development so our hardworking and patriotic people can lead a better life. As the founder of our civic association used to say: Peace fosters the fruits of work and ensures the benefits of freedom.

Itaipu, the largest hydroelectric plant in the world and the most outstanding project of this century—of which Paraguay and Brazil can take pride in—stands as an example of integration in the Americas and opens the best prospects for the country's development. Yacyreta, another hydroelectric project just as important, and the Encarnacion-Posadas Bridge are two projects currently in progress as a result of cooperation between the Republic of Paraguay and the Republic of Argentina. [passage omitted]

During the long and difficult years when the Colorado Party was not in government, years of persecution and abuses commited against the human rights of our fellow party members, the spirit of the party was maintained in the hearts of the people and in the combative determination of our caudillos. [applause]

Let our word of recognition at this hour of triumph of the Colorado Party go to the party militant in the rural and urban areas, to the Colorado thinkers, to the party spokesmen who defended our sovereignty and social interests without concessions and compromise, and to all those who defied arrogance and authoritarianism. We will never betray the moral legacy of those who suffered and died in defense of the party ideals, as they did in horrible circumstances in 1908, in Fortin Galpon—the first concentration camp in the world set up by the Liberal Party—or in the fateful and bloody days of the 1947 civil war in which the Colorado Party and the loyal faction of the Armed Forces heroically smashed the criminal rebellion of the Liberal Party, the Febrerista Revolutionary Party, and the Communist Party.

Colorado people: From the vantage point of today, we can cast our eyes on the history of our nation and party and affirm with emotion and pride that we have not disappointed the patriotic hopes and ideals of our party's founder, Gen Bernardino Caballero. His same banner of faith and conviction is now in our hands, fluttering gloriously as it did on 11 September 1887.

In evoking the outstanding accomplishments of our party's founder, we are here to proclaim our clear and incorruptible Colorado ideology as we did 100 years ago. We can show a long list of accomplishments that stand for the vigor and modernization of a comtemporary Paraguay, which is admired and respected in the world for its peace, progress, democracy, and social justice. [passage omitted]

Fellow party members throughout the country: I thank the great Colorado people and the Almighty for the extraordinary privilege of presiding over this ceremony that will go down in history as a testimony that we, loyal to and in solidarity with an eternal cause, have met here to celebrate this outstanding event of the Paraguayan democracy and to reassert the ideals of our forefathers.

In paying homage to the memory of our glorious party founder with our thoughts and deeds, I affirm, as a Paraguayan, as president of the nation, and as a member of the Colorado Party, my conviction that the invincible party of Gen Bernardino Caballero will continue to be an instrument of the happiness and greatness of the Republic of Paraguay. [applause].

Peru

Government Accepts Minister's Resignation

PA111915 Lima Domestic Service in Spanish 1730 GMT 11 Sep 87

[Text] The government today accepted the resignation of Manuel Romero Caro, minister of industry, commerce, integration, and tourism.

Until his replacement is named, General German Parra Herrera, retired, the transportation and communications minister, will be in charge of the Ministries of Industry, Domestic Trade, Tourism, and Integration. The appointment, in accordance with Article 220 of the Constitution, was made after Manuel Romero Caro's resignation was accepted.

The two resolutions were published today in the *EL PERUANO* newspaper.

War Minister, APRA Leader Rule Out Coup

PA122018 Lima Domestic Service in Spanish 1730 GMT 12 Sep 87

[Text] Minister of War General Jorge Flores Torres said the Armed Forces respect the democratic regime. He emphatically stressed that there is no possibility whatsoever of a coup d'etat. Gen Flores Torres said that for a coup to occur, the Armed Forces would have to participate. He added: We are currently experiencing a democratic stage in which the Armed Forces totally respect the Constitution.

Meanwhile, ruling out the possibility of a military coup, APRA [American Revolutionary Popular Alliance] leader and Senator Armando Villanueva Del Campo

said the Armed Forces are acting within their constitutional duties, guaranteeing the continuity of Peruvian democracy. He added that those who are accusing the Armed Forces of planning a coup d'etat are the ones who would like this to happen. However,this will not occur because the Armed Forces will protect our people and our democracy.

Gen Flores Comments on National Issues
PY111314 Lima LA REPUBLICA in Spanish
30 Aug 87, Special Supplement pp 10, 12, 111

[Interview with War Minister General Jorge Flores Torres by Reporter Roberto Ochoa in Lima; no date given]

[Excerpts] [Ochoa] General, are you a member of APRA [American Revolutionary Popular Alliance]?

[Flores] Lately, people have said I am "an unconditional Garcia supporter" or an APRA member. I am not a member of any political party. I have never been a member of any political party. But as a member of the Cabinet and a professional in charge of the national defense, I identify myself with all those constitutional decisions that guarantee national independence, sovereignty, and territorial integrity.

I have friends in all political parties, such as the Popular Action [AP] Party, the PPC [Popular Christian Party], the United Left [IU], and APRA. But, because I am a member of the Cabinet I now have more friends within APRA. My friends in APRA are both young leaders and members of the old guard.

They say I am an APRA supporter because I am completely identified with those tasks that are my exclusive responsibility within the government. Moreover, at present important steps are being taken to promote the development of the country, and this must be supported.

[Ochoa] Is it because you are fully identified with the government that you have enthusiastically supported the nationalization of the Peruvian private financial system?

[Flores] I believe as a member of the Cabinet it is just and appropriate to support the nationalization project, because it is a measure that will benefit society and it is in keeping with the Constitution.

[Ochoa] But do you personally agree with this measure?

[Flores] I personally believe this is a proper measure both at the legal and economic levels. It is legal because it is in keeping with the Constitution, which grants the state the authority to nationalize sectors. At the economic level this decision will allow the government to invest financial resources derived from the banking sector in production areas that are still economically dependent on the government and which consequently compel it to increase its foreign debt. It will also alleviate the government's currency problems caused by the fact that Peru exports resources instead of manufactured products. Lastly, regarding the problem concerning conflict of interests and conflict of powers, this is a measure that reasserts national sovereignty.

[Ochoa] When did you learn that the banking sector would be nationalized?

[Flores] A few days before the president's Independence Day speech...

[Ochoa] During the Cabinet meeting that preceded the presidential message?

[Flores] I decline to answer this question. There is an agreement that we cannot discuss in public what has been discussed at Cabinet meetings. Although it is true that sometimes there is an information leak, I only discuss the meetings with the president's authorization.

[Ochoa] Do you believe the call for insurgency issued by PPC Leader Luis Bedoya Reyes is constitutional?

[Flores] No, I do not. I believe it is exaggerated and hasty. We are not experiencing conditions that justify a call for insurgency. The nationalization process is being carried out in keeping with the Constitution...

[Ochoa] What is your view on the position adopted by Writer Mario Vargas Llosa?

[Flores] It is quite important from every point of view. Mario Vargas Llosa's attitude is showing the world that Peru is living in a democracy, and that the entire nation is immersed in this democratic process. Mr Vargas Llosa is an international personality, and this is why today the entire world knows that we Peruvians have the right to express our opinions and hold meetings like the ones being carried out. [passage omitted]

[Ochoa] Terrorists have intensified their activities over the past few weeks all over the country. You recently said that both the Shining Path and the MRTA [Tupac Amaru Revolutionary Movement] were retreating. Don't the facts contradict your statement?

[Flores] Not at all. The statement you mentioned was made in mid-July when I said that terrorist activities had decreased because of the dismantling of major terrorist cells. That was a temporary situation which forced terrorists to recruit and indoctrinate more people to strike again, even harder. This is what they are doing now. We should not forget that subversive strategy does not take into account time, because time is not important for terrorists.

I believe this is the current situation. In his Independence Day address, President Garcia said there is more tranquillity in Ayacucho than in Lima. The Ayacucho prefect has just confirmed this to me.

[Ochoa] Do you beleive the lifting of the curfew in Lima is a positive measure?

[Flores] Yes. Commercial activities have returned to normal and, despite the lifting of the curfew, the traffic early in the morning is moderate. No terrorist actions have been staged in those hours and, fortunately, there have been no accidents either. You should recall, however, that the Armed Forces are still in charge of maintaining order in Lima.

[Ochoa] Terrorist actions have increased over the past few days. Does this justify the reimposition of the curfew?

[Flores] That depends on the Armed Forces Joint Command. I don't think the situation justifies the reimposition of the curfew. As I said, there have been no attacks during the curfew hours.

[Ochoa] Will the Armed Forces, and specifically the Army, become directly engaged in the struggle against drug trafficking?

[Flores] Only if necessary. The decision must be made by President Garcia. You should bear in mind that this scourge both directly and indirectly affects the entire nation. Therefore, it is imperative to count on the support of the Army and of society as a whole.

[Ochoa] Has the possibility of consulting with U.S. advisers in the struggle against terrorism and drug trafficking been considered?

[Flores] No. This has not been given any consideration whatsoever.

[Ochoa] This possibility was mentioned in the wake of the recent joint maneuvers staged with the U.S. troops...

[Flores] It is absolutely false. The maneuvers were coordinated by the Joint Command. The U.S. troops stayed in our country to stage the joint maneuvers with our own troops. All of them have returned home. At no time has the possibility of consulting with U.S. advisers been considered.

[Ochoa] What is your evaluation of the struggle the APRA administration has waged against drug trafficking?

[Flores] In a few words I would say there is a positive balance in the rural emergency zones. Despite the fact that terrorist activities have been, for the most part, placed under control, terrorism is still latent.

It has been quite difficult to control terrorism in the cities, where terrorists can hide and operate more comfortably. The situation in the cities is different, and it is therefore difficult to measure any progress with a long-term strategy.

[Ochoa] In recent statements you demanded that the Judicial Branch order more severe punishments for terrorists. Would you ask the same for the Armed Forces' members who have committed excesses?

[Flores] Let me say first that I respect the autonomy of the judicial branch. Therefore, I do not agree with the word "demand" that you have used. As for the Armed Forces' members who are being tried by the military courts—which are also independent—there is nothing to be demanded either. The military courts issue severe sentences, even punishing some actions that are not classified as crimes by the civilian courts. The nature of the crime and its classification as either a crime committed while discharging professional duties or otherwise indicates whether the cases involving the so-called excesses must be heard only by the military courts.